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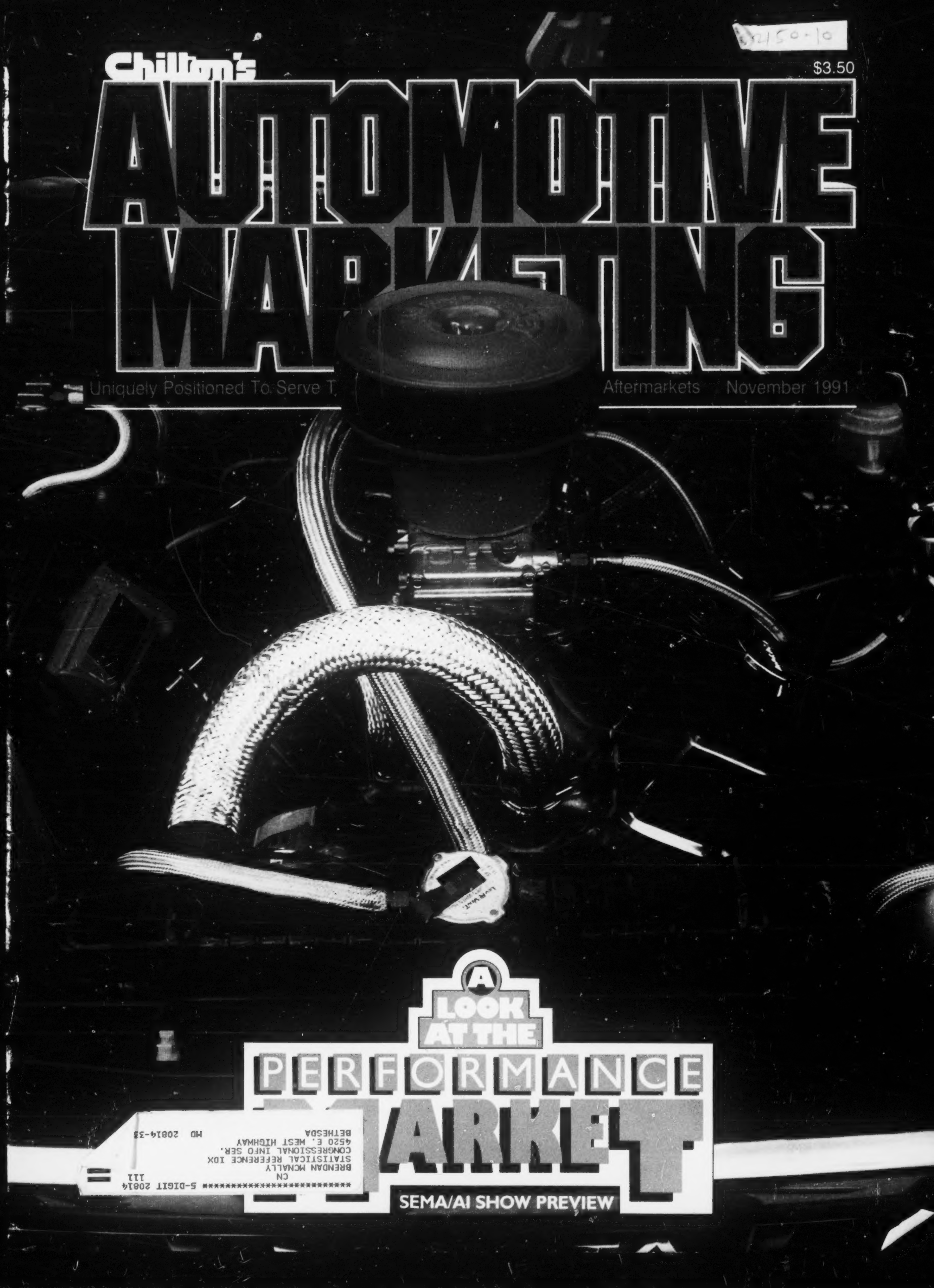

A LOOK AT THE PERFORMANCE MARKET

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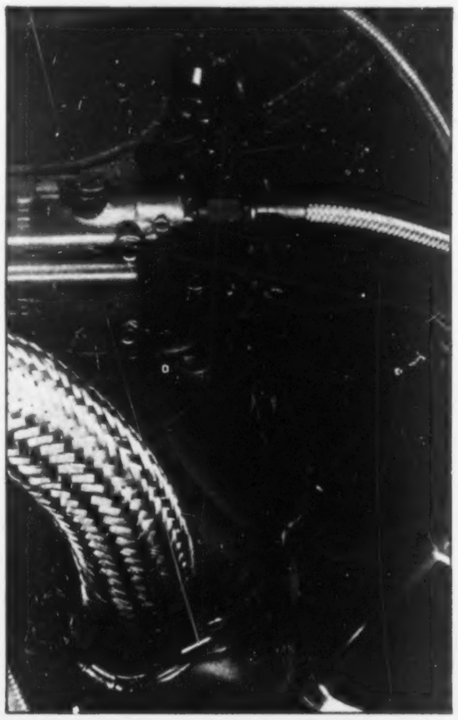

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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A LOOK AT THE PERFORMANCE MARKET

by **Phil Katcher**, Business Editor

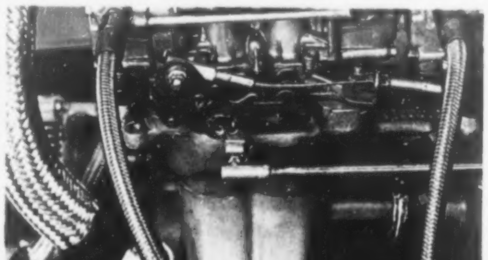
The specialty equipment—performance and appearance accessories—market is a *big* market. According to the 1991 Specialty Equipment Market Association (Diamond Bar, CA) *Market Study*, some 38 million consumers purchased some sort of specialty product at least once in 1990. Jim Lang, Lang Marketing Resources, Inc., conducted the actual study for SEMA.

The annual study also indicates the size of the market by showing that the typical specialty consumer currently spends $2,787 annually on these types of products and services. Indeed, consumers who buy these types of products and services spend almost three times more per vehicle than the average amount vehicle maintainers spend on aftermarket products. The actual figures are $1,208 per vehicle for specialty consumers vs. $424 for the typical vehicle maintainer.

Even so, the performance industry faces some serious challenges to its future success. According to Michael D. Burroughs, Burroughs Associates, Inc., Nashville, TN, speaking at last year's Frost & Sullivan Conference, the major factors that impact the performance and specialty product marketplace are economic concerns, technological developments, emission laws, a weakening of multi-step distribution (the "merging market" effect), an increasing desire for the personalization of vehicles, and longer warranties.

Some of these things, such as the wish by consumers for personalized vehicles, are positive. Some, such as the changes in distribution patterns and the recession, are temporary phases which both retailers and manufacturers have to work their way through as best they can. And, it's been a tough time for many in the industry. SEMA President Chuck Blum recently admitted that, "There is more pessimism about prospects for business volume this year than at any time since the last recession." Even so, he added that "there are some bright spots."

The performance parts market is changing as government regulations and consumers change. But there are ways to continue growing the industry.



But some, such as the longer vehicle manufacturers' warranties increasing emphasis on emissions regulations, have long-term implications and are essentially out of the control of those in the industry.

And, warns Burroughs, "Federal and state laws will only get tougher."

Government Regulations

These laws will cause a basic change in the traditional performance and specialty industry.

According to Burroughs' figures, right now people who modify their vehicles tend to modify for performance rather than just appearance. For example, 14% of those who modified their second vehicle, modified it for performance, while half that number modified it for appearance. Still, almost a quarter (23%) modified their second vehicle for *both* performance and appearance, while 19% modified their primary vehicle for both. (SEMA's 1991 study indicates that the average specialty consumer owns 2.4 vehicles.)

However, the emphasis on performance over appearance will change as regulations grow stiffer.

The president of one major manufacturer of a full line of performance parts, ranging from instrumentation to chrome dress up items, told *Automotive Marketing* at the recent Automotive Parts & Accessories (APAA) Show that government regulations designed to protect the environment are the biggest challenge to the performance industry. And, he said, this will mean a switch from an emphasis on performance to appearance in the future.

"The EPA (Environmental Protection Agency) has caused a lot of changes," he said. "Of course there have been regulations which were written down before but mostly they weren't enforced. Not any more. We've got to have our parts tested now. Business in things like chrome air cleaners could well go away because of EPA regulations. In a couple of years it's possible that you won't be able to change anything that comes as original equipment on a vehicle. Sure,

PERFORMANCE BUYERS HAVE HIGHER INCOMES

[illegible] public, many of which spend just enough to keep their vehicles running.

Household Income (% of all maintainers)	Household Income (% of Specialty Buyers)
Under $10,000 (9%)	Under $10,000 (4%)
$10-20,000 (17%)	$10-19,000 (14%)
$20-30,000 (18%)	$20-34,000 (30%)
$30-50,000 (22%)	$34-49,000 (23%)
Over $50,000 (18%)	Over $50,000 (29%)

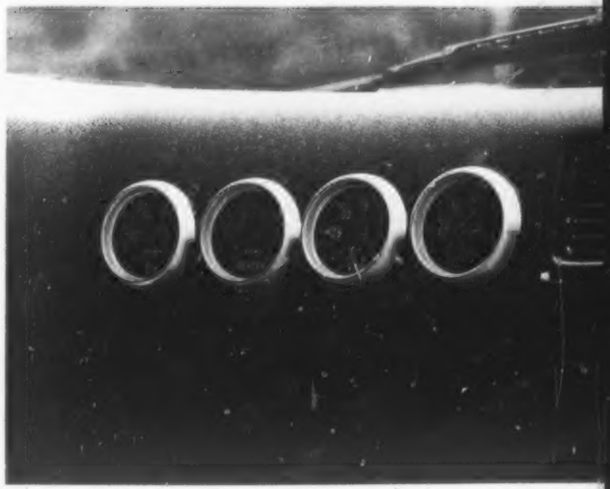
Source: 1991 SEMA Market Study, 1991 Automotive Marketing Consumer Automotive Repair Study

PERFORMANCE PRODUCT BUYERS AND ALL MAINTAINERS DIY THE SAME

[illegible] advanced technology, combined with time-pressed consumers, means less DIY overall.

All vehicle maintainers	83% DIYers
Specialty equipment buyers	81% DIYers

Source: 1991 SEMA Market Study, 1991 Automotive Marketing Consumer Automotive Repair Study



that's still a couple of years away but already we're looking at other avenues besides parts that affect emission like dress up and wheel items."

Indeed, many state governments as well as the federal government now take modifications that affect emissions seriously. And, well they should since, according to Burroughs' figures almost a third of performance buyers (31%) admit to having removed some of their cars' emissions control equipment while a significant 20% admit to having removed *all* of their cars' emissions control equipment.

The Performance Consumer

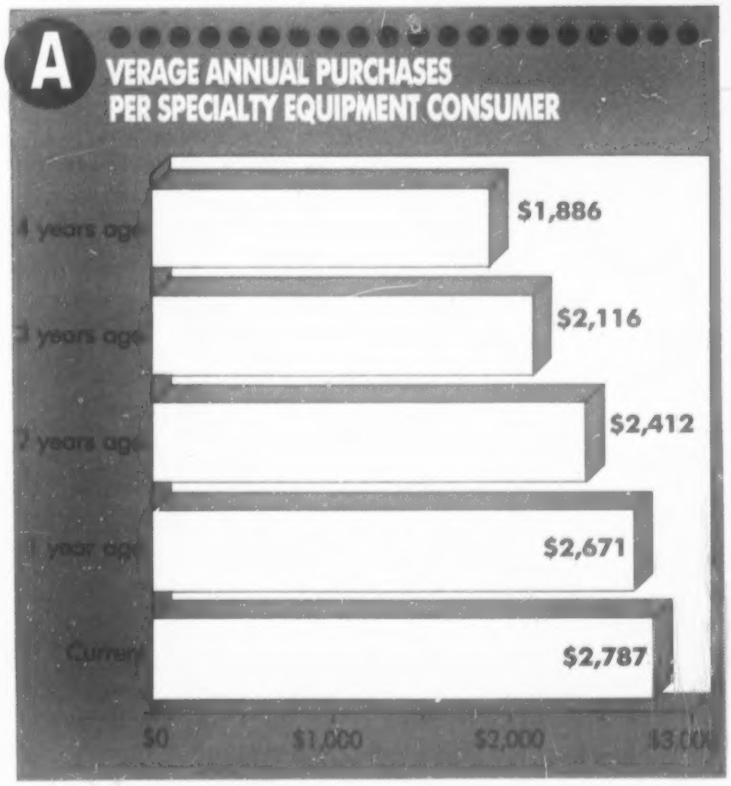
Specialty and performance product makers and retailers agree that the market is driven by enthusiasts who install their own parts. According to Burroughs over half of the buyers of these products (52%) call themselves "heavy" DIYers who are likely to do as much as a complete engine rebuilding job.

Figures gathered by SEMA for the group's 1991 *Market Study* reflect some of the major changes in the performance consumer market. According to the study, the age of the typical performance buyer has changed radically in a relatively short time. Over half are over 30 years old, while just nearly one third (28%) are between 30 and 39 years old, compared to only a quarter in that age group just two years ago. Today the average buyer is around 34 years old, compared to two years ago when the average buyer was 31 years old. Indeed, according to Burroughs, almost a quarter of performance and specialty product buyers are between 41 and 50 years old.

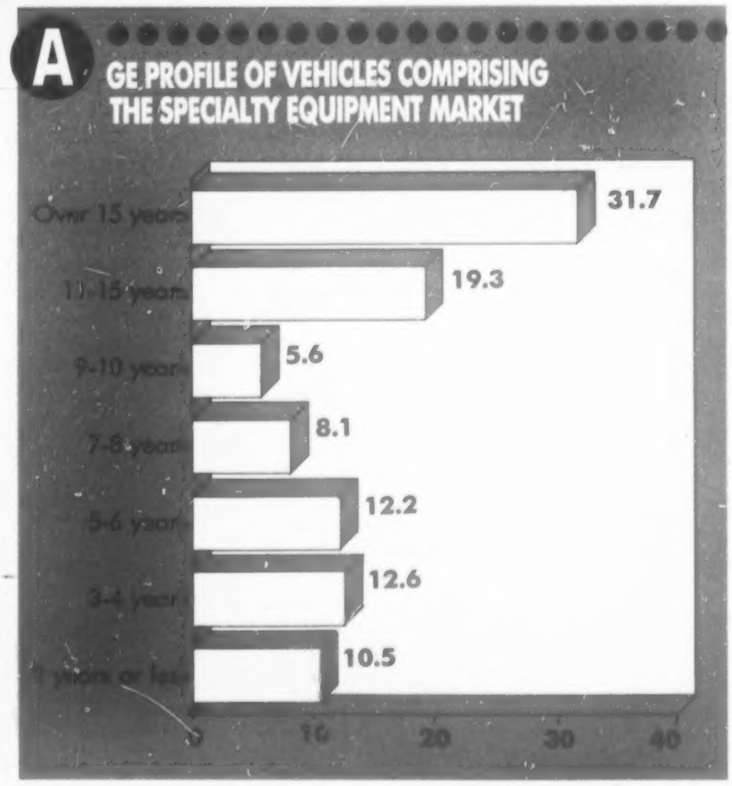
This affects the performance retail business since traditionally older consumers are less prone to do automotive DIY work. However, manufacturers and retailers alike still feel that most true performance buyers are still DIYers.

For example, a spokesman for one specialty equipment company, however, said that his company's research indicated that around three quarters of all performance camshafts, to name one typical specialty product, are sold to DIYers. These buyers don't have newer, computer-run cars, but have older or racing cars. "That's why the guy in our booklet has dirty hands," he said. "We insisted on it."

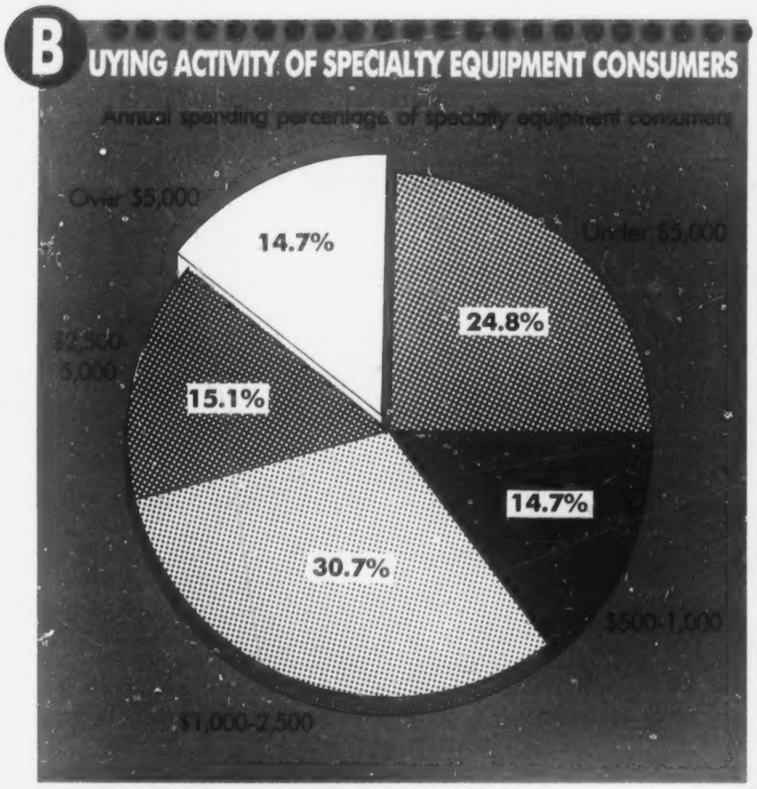
However, as vehicle technology changes in

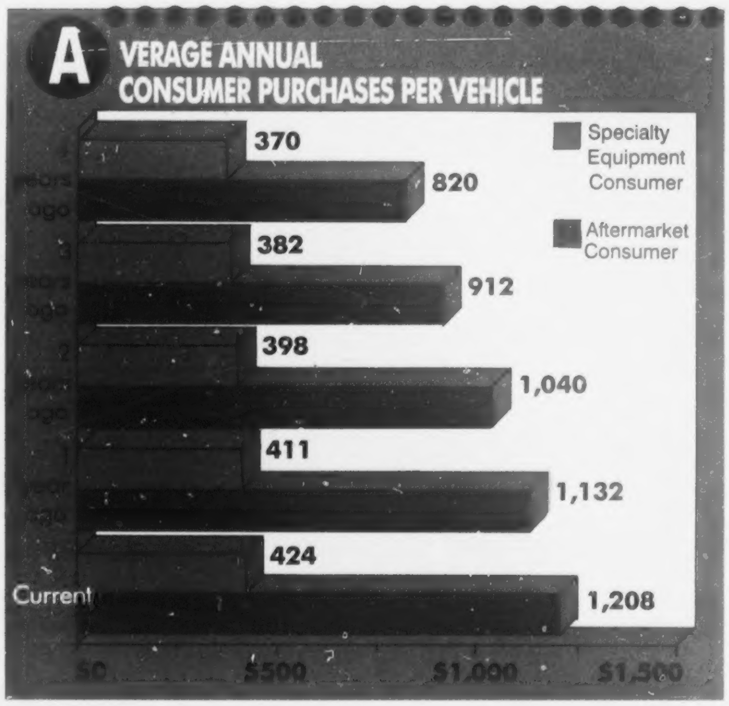


AVERAGE ANNUAL PURCHASES PER SPECIALTY EQUIPMENT CONSUMER



AGE PROFILE OF VEHICLES COMPRISING THE SPECIALTY EQUIPMENT MARKET


BUYING ACTIVITY OF SPECIALTY EQUIPMENT CONSUMERS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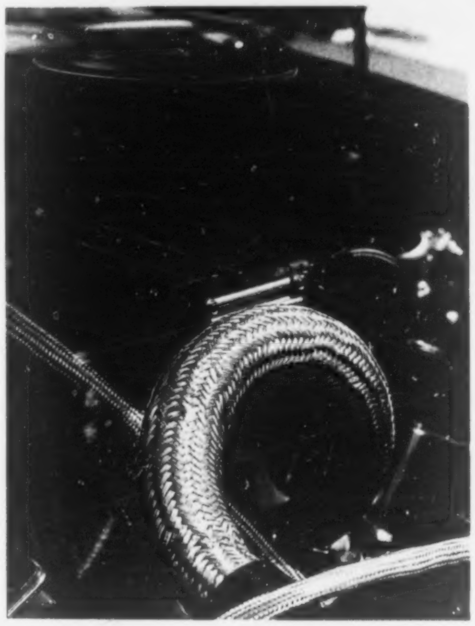
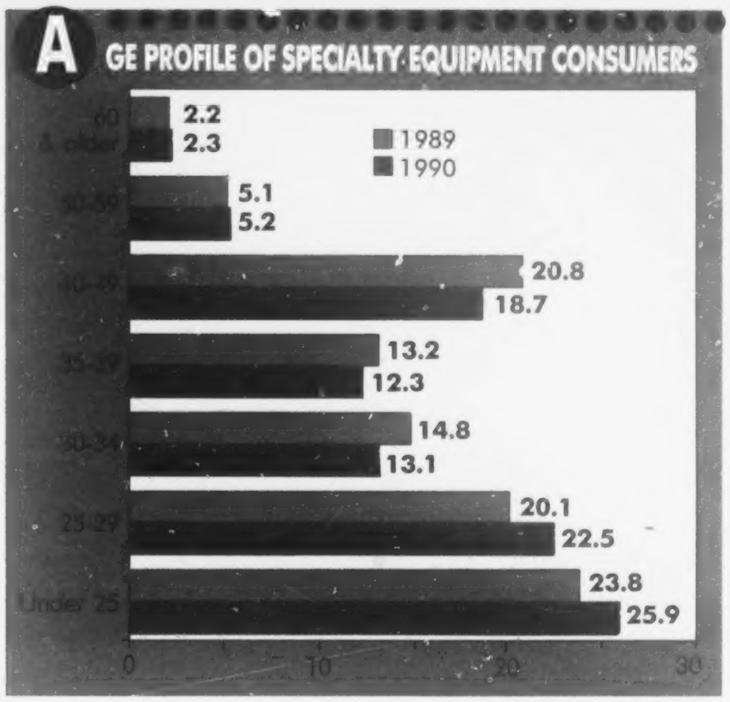



AGE PROFILE OF SPECIALTY EQUIPMENT CONSUMERS

the future professional installation of performance parts is bound to grow in importance in driving the industry. According to Burroughs, almost a third (28%) of performance enthusiasts who have computer-controlled cars don't modify them because it's to complicated to do so. Another 23% say it's too expensive, while 16% don't want to make changes that could effect their long-term warranties.

And, according to Burroughs, only 20% of performance and appearance part buyers have replaced their car's on-board computer themselves.

Into The Future

So, besides considering professional installation and increasing an emphasis on dress-up items as opposed to performance modification items, what can a specialty retailer do to survive? According to Burroughs there are a number of other positive steps he can take.

- Innovate: "Consumers want something different and exciting."
- Keep it simple: "Providing an easy installation, factory hardware and connectors, and simple-to-follow instructions will make a big difference."
- Know your distribution: "Some products are best sold through the multi-step distribution system; others through direct mail."
- Know the rules: "You may actually undermine the industry if you try 'avoidance' measures."
- Communicate: "Advertising, public relations, and promotion are important tools for the accessory marketplace."
- Avoid cost-based pricing: "Always price to market demand."
- Avoid low price marketing strategies: "These are easily countered and produce only a low image for the product with low margins and attract only price buyers."
- Stress quality. "Set tangible goals for yourself. Research your market and measure your results." ■

PERFORMANCE BUYERS AND ALL MAINTAINERS ARE EQUALLY EDUCATED

[illegible] level of all vehicle maintainers across the country.

Educational level	All Maintainers	Specialty Buyers
Less than HS grad	10%	7%
HS Grad	31	36
Some college	25	25
College grad or more	28	28

Source: 1991 SEMA Market Study, 1991 Automotive Marketing [illegible]

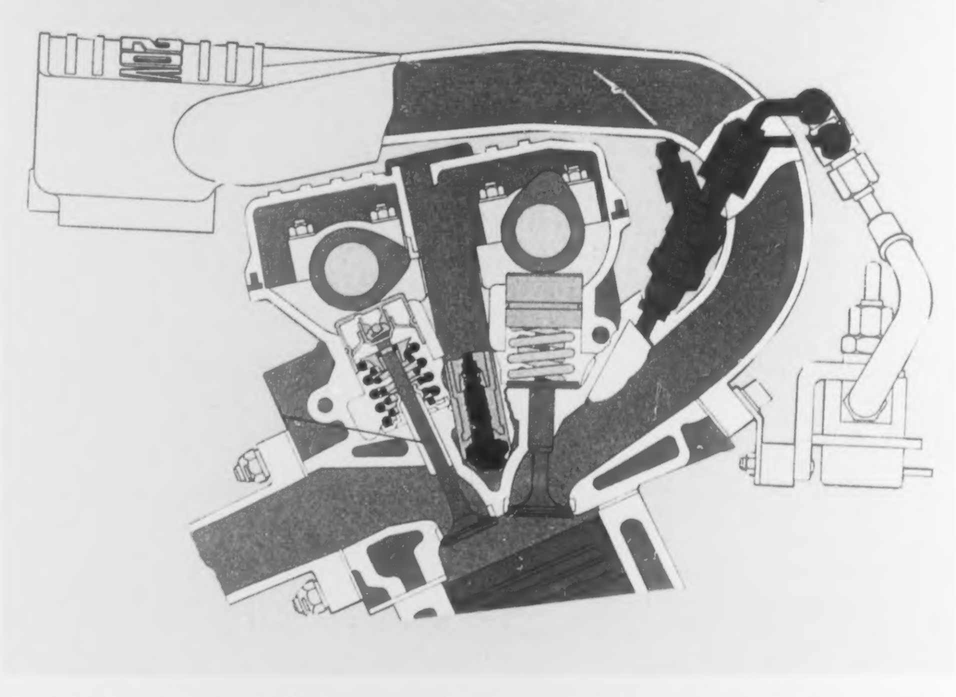
FINDING GROWTH IN:

FUEL INJECTION PARTS & SERVICE

As the carburetor heads into the sunset, what kind of replacement is fuel injection going to be?

by **Edward L. Kaufman,**
Contributing Editor

Edward L. Kaufman is president of Lindsey-Kaufman Co., a marketing consulting firm specializing in the automotive and truck aftermarkets. Inquiries for additional information should be sent to him at: Lindsey-Kaufman, Tenafly, NJ 07660 (201 567-6158.



Manufacturers of DIY-type fuel injector cleaners and kits and chemicals for professional pressurized cleaning report double-digit increases in sales. However, for manufacturers of electronic fuel injection (EFI) system hard parts sales have increased much less rapidly than expected around 1985-87. In 1987 manufacturers of such fuel injection system parts as fuel injectors, fuel pumps, fuel pressure regulators, idle air speed controls, fuel injection system filters, oxygen sensors, MAP sensors and TPS sensors were expecting growth of about 20% per year for the 1987-92 period. That rate of growth appeared realistic based upon the rate of buildup in the number of fuel injected vehicles. But, for EFI parts manufacturers at least, that has not been the case. One parts manufacturer says, "We are just beginning to see movement on some items. Because our expectations were too high we had more parts in the pipeline than were needed."

We have confirming reports at the service dealer level. Repair shops, at least those which have made the necessary investments in technician training and diagnostic equipment to be able to tackle EFI/driveability work, are getting calls for service. But this does not necessarily require high volume replacement of parts.

Opportunities In EFI Service

Bill Sauer, head of Autoline Telediagnosis, a hot-line service for repair shops, says, "We find that many of the problems with fuel injection systems relate either to bad electrical connections—wires rusted out or abraded—or plugged injectors because of bad fuel." He suspects that many times injectors are replaced unnecessarily. That is, replaced when the shop might have solved the problem by proper cleaning. On the other hand Sauer says, it is also possible that thousands of fuel injected vehicles have EFI parts which ought to be replaced and which are not because no one has adequately checked the vehicle's performance.

Some observers of the aftermarket believe that there has been a reduction in fuel injector problems because of improvements in fuel quality. One West Coast shop owner and skilled diagnostician says, "There may be some improvement in the fuel, but we are still seeing many problems relating to fuel. My guys are removing a lot of carbon and coke from upper cylinders." This same garage owner says that the movement to fuel injection has been very good for shops like his which employ high priced, highly trained technicians. "People are coming to us because they know we can do the work." Apparently there is faster growth in labor dollars than in parts dollars. "Over time we are replacing many kinds of fuel injection system parts, including fuel pumps, pressure regulators, idle air controls and sensors, but the quantities are not high."

The parts manager for a large tune-up/engine performance franchiser says, "We used to stock replacement parts for fuel injection systems, but the turnover was so slow we discontinued them. However we are moving a lot of fuel injector cleaner. Our shops are getting lots of calls for that service."

Fuel Injection Cleaners And Equipment

BWD Automotive Corp., Franklin Park, IL, a broad line supplier of fuel system and ignition system parts, also markets kits for professional cleaning of injectors. The kits include the rubber hoses and brass fittings needed for flushing concentrated solvents through the fuel rails. BWD reports that sales of the adaptor kits are moving briskly. Wynn Oil Co., Azusa, CA, markets both kits and chemicals to professional shops through its X-Tend Division. Gerry Miles, sales manager for the X-Tend Division, says that, "Our sales of fuel injector cleaner for professional use are up 30% over 1990."

Most manufacturers of fuel injector cleaners offer two grades: a "keep clean" solvent which can be poured into the fuel tank for regular preventive maintenance, and a more concentrated "clean up" solvent for problem solving. That is, removing build up of deposits on fuel injectors.

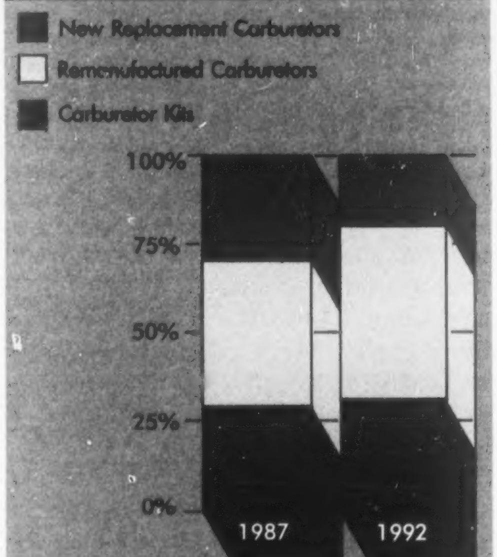
At X-Tend, Gerry Miles explains that, "Because our professional clean-up solvent is so concentrated it cannot be simply poured into the fuel tank, that might not be good for the tank liner. Instead, this type of cleaner enters the system through the fuel rail. Some manufacturers of professional fuel injector cleaner use aerosol cans attached by hoses to the fuel rail. We offer a barrier package. Like the aerosol package it is a throw-away."

Virtually every chemical manufacturer in the automotive aftermarket offers DIY market fuel injector cleaners. In the DIY market as well as the professional market it is customary to offer a fuel injection "maintenance" product designed to prevent buildup of deposits on injectors, and a higher priced concentrated solvent designed as a problem solver.

One manufacturer says, "Our sales in this category have grown very nicely. However, frankly, we expected that at the rate of buildup in the number of fuel injected vehicles our sales would be growing over 15% per year by now." Another manufacturer says, "Fuel additives have been a very good category for us. We include in this category compounds for fuel injector cleaning, carburetor and choke cleaners and engine tune-up. As a group these chemicals have grown 12-18% per year. They have held up better than our other chemicals in the soft economy of 1991."

At First Brands Corp., Danbury, CT, vice president/marketing Rick Bowen says, "We got into the fuel injector cleaner business in 1986 and our sales since then have grown rapidly. In fact, fuel injector cleaner now accounts for half of our fuel additive sales—and those sales have tripled since 1986." First Brands offers its fuel injector maintenance product in 8-oz. and 12-oz. containers. It is introducing a quart-size package.

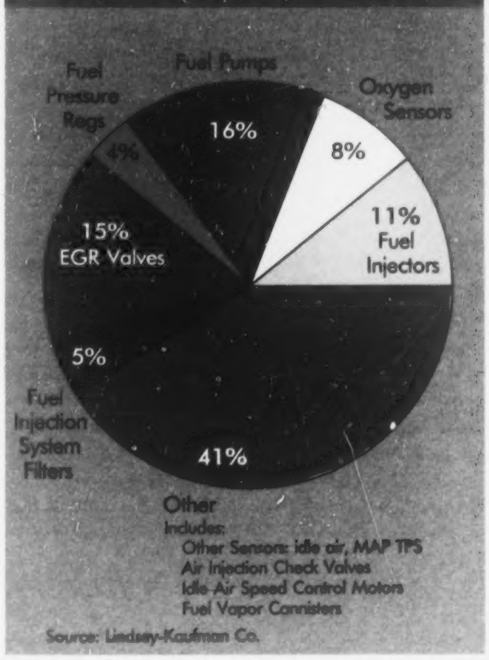
Estimated Retail Sales of Replacement Carburetors and Carburetor Kits



	1987	1992
New Replacement Carburetors	$380	$370
Remanufactured Carburetors	$590	$830
Carburetor Kits	$390	$530
Total	$1,360 Million	$1,730 Million

Source: Frost & Sullivan, Inc.

Composition of the Market for Electronic Fuel Injection System Replacement Parts



Source: Lindsey-Kaufman Co.

Why have sales of replacement parts for EFI systems been so much slower than sales of professional and DIY cleaning chemicals? Manufacturers offer these explanations:

- Reliable solid-state devices. EFI systems have proven to be very reliable. In general, solid-state electronic components tend to be more durable than mechanical components.

- Improvements in parts design. The early-to-mid 1980s injectors tended to clog easily because the apertures were small. The newer designs have larger apertures and better seals. There have also been improvements in oxygen sensors. Located in a harsh environment (the exhaust system) they still fail—but not as frequently as a few years ago.

- Better quality gasoline. This may be a major factor. Today, most grades of premium gasoline and some grades of regular gasoline include detergents designed to prevent buildup of deposits on injectors.

If oil companies add detergents to their gasoline is there really any need for aftermarket fuel injector cleaners and cleaning kits? The subject is somewhat controversial—perhaps even within oil companies.

The continued fast growth in sales of professional and DIY fuel injector cleaners speaks for itself. Clearly, many thousands of vehicle owners sense a benefit in thorough cleaning of injectors and/or regular application of "keep clean" chemicals. Some chemical manufacturers suggest that one reason there continues to be a need for aftermarket fuel injectors is that oil refiners have to design their products to meet "average conditions." Therefore, there are likely to be times and places where severe conditions will require more cleaning power. Also, even though oil refiners buy additives on a volume basis they are still expensive. In a very price sensitive business every additional penny charged for a gallon of gasoline means loss of customers to competition. So there is reason to believe that refiners do not use all the detergents they might. Finally, although there is a consensus that average fuel quality has improved, many thousands of gallons of lower grade gasoline are sold which contain very low levels of detergents. An owner of a fuel injected vehicle who bought too many gallons of "bargain gasoline" might wind up with fuel injection system problems, including deposits on upper cylinders as well as injectors.

Scope Of The EFI Parts Market

One of the things which complicates discussion of the market for EFI system parts is that, as yet, there is no standard definition of the system. Some definitions include the electronic engine control and others do not. In fact it is difficult to separate the fuel system, ignition system, and emissions control system because failures in any of these systems, or the electrical connectors, can affect the instruction of the engine computer on the air-fuel mixture.

Items which are clearly part of the EFI system include the fuel injectors, fuel pumps, fuel pressure regulators, fuel injection system filters, fuel vapor canisters, idle air speed control motors, air injection check valves plus a variety of sensors, including oxygen sensors, MAP sensors, throttle position sensors, temperature sensors and idle air sensors.

In a 1987 study Lindsey-Kaufman Co. conducted of this market we included EGR valves (also part of the emissions control system) because they affect the air-fuel mixture.

Accompanying this article is a pie chart which shows our estimates on the composition of the EFI parts market. Note that the fuel injectors per se account for only about 11% of the market. The estimated percentages are based upon Lindsey-Kaufman's 1987 study. At that time, the market as defined in the chart was estimated to have sales, at the manufacturer's level, of slightly over $100 million. That would have meant sales of the retail level of about $280 million. In 1987 an estimated 75-80% of those retail sales were believed to be held by car dealers' parts and service departments. Lindsey-Kaufman expected that between 1987 and 1992 car dealers would gain sales in absolute terms but lose a considerable amount of market share to shops which committed themselves to investments in technician training and diagnostic equipment. We included in that category some of the larger, better managed independent garages, some of the tune-up/performance specialists and some of the installer chains, including tire company stores and certain mass merchandisers.

How large is the EFI parts market as of the end of 1991? It is hard to give a precise estimate because we have not had the opportunity to update the 1987 research. At a guess, retail sales in 1991 were probably over $300 million and below $400 million. ■

A further analysis of the fuel injection market will appear in a future issue.

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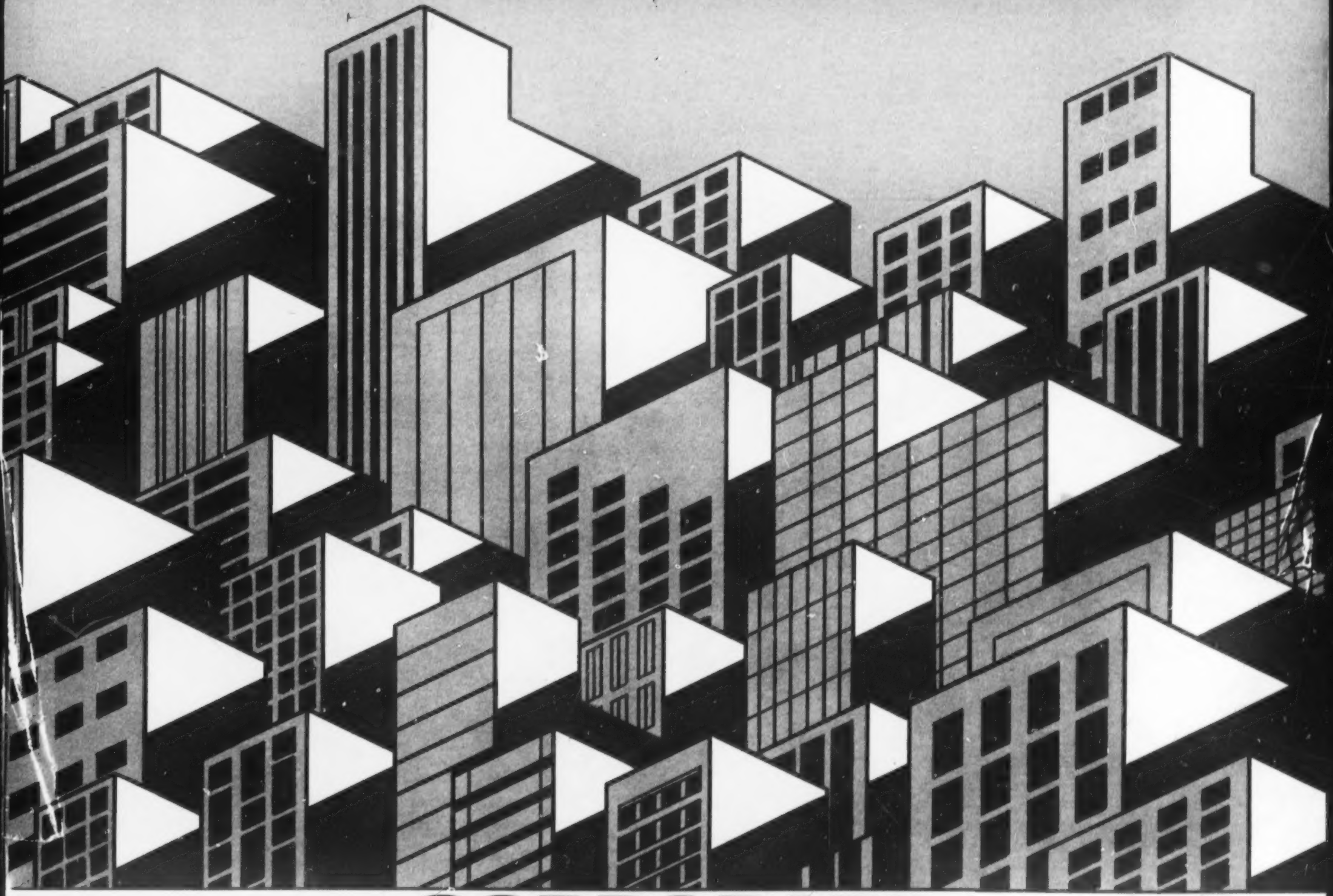

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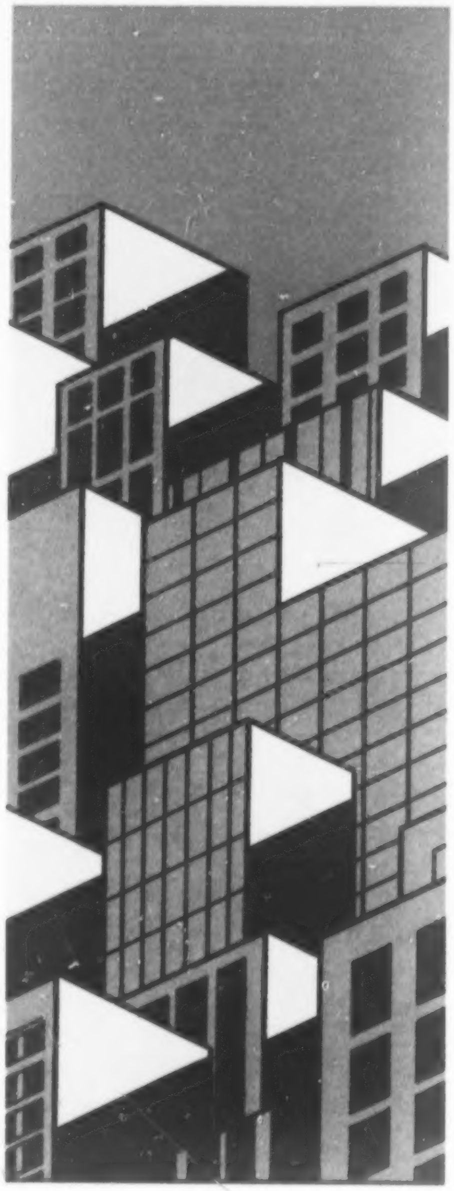

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
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MARKET LINE

Talking About The Spark Plug Market: A Stable Market After All These Years

Based upon our latest round of interviews among spark plug manufacturers, it seems as though the spark plug market has stabilized at about 550 million automotive plugs sold annually. While most manufacturers concede that the market will continue to decline slightly, perhaps 1% yearly, they firmly expected no great sales drop. "We see it at 546 million automotive plugs," said Mark Rouser, assistant sales manager at Nippondenso, Long Beach, CA. "With a gradual decline of maybe six-tenths of a percent annually."

Mark Hansen, product manager at General Motors/Service Parts Organization (GM/SPO), Detroit, said, "The market is stable at about 550 million plugs. No growth, no decline. We've gone through the adjustment. After all the negatives, eights to fours, electronic ignitions, it's leveled out. Our five-year plan does not show any decrease."

The adjustment that Hansen mentioned is sort of an understatement. It's been a rough decade for spark plug suppliers, mostly due to factors beyond their control. Since 1980, the number of plugs sold per year has declined about 110 million plugs per year, from about 660 million in 1980, to about 550 million in 1990.

The downturn stemmed from the two gas shortages of the 1970s, the import avalanche, and the search for cleaner emissions. A major contributor to the sales decline was the electronic ignition that kept plugs running longer and made the twice-yearly tune-up a thing of the past. About the same time, driven by clean air standards, OE makers added catalytic converters that required unleaded gas which made engines run cleaner and slowed spark plug fouling. In 1980, more than 70% of cars still burned regular gas; by 1989, the percentage was less than 7%. Just finding leaded gas in 1991 is a challenge in many areas of the country.

Add to these factors the continued downsizing of cars in the 1980s that reduced the percentage of V-8 engines on the road from a little more than three-quarters of all cars to roughly 45% today. In 1980, 2,107,000 V-8's were produced; in 1990, the number of V-8's produced declined to 1,062,000. In 1980, there was an average of a little over seven plugs per car; by 1989, there was just a shade over six.

All these factors have one result: fewer spark plug sales. For example, according to MediaMark, New York, which surveys some 20,000 households annually, people in 46% of all households bought spark plugs in 1980; but by 1990, the percentage was down to 29%. Interestingly enough, on our 1991 *Consumer Automotive Repair Study* the percentage of car maintainers that bought tune-up parts such as spark plugs was 30%. Although the number is not comparable, the percentage on our 1985 study was 43%.

In addition, while the number of plugs sold declined, the number of suppliers increased. For years, for all intents and purposes, the market was the sole property of four American suppliers:

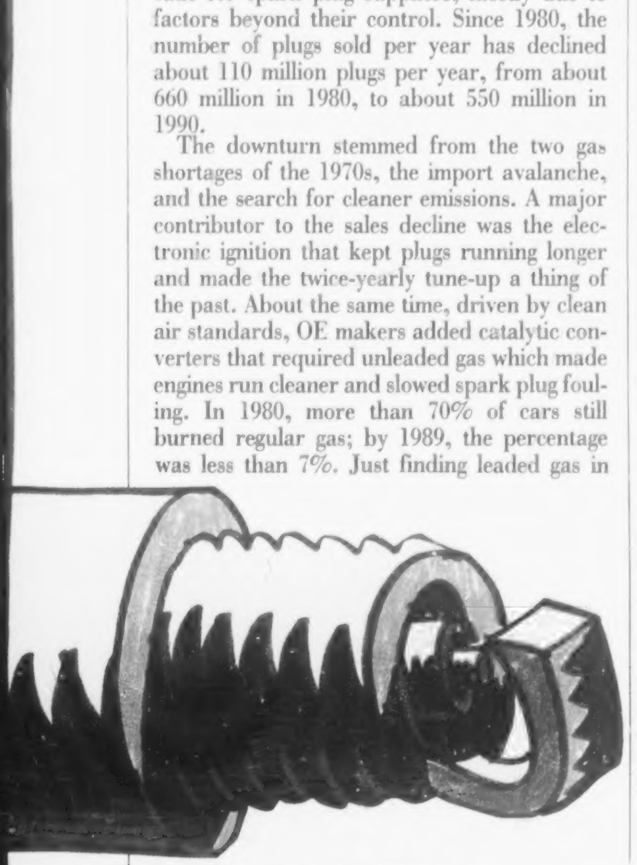
- Champion Spark Plug (a division of Cooper Industries), Toledo, OH
- AC-Delco, Detroit (GM/SPO)
- Autolite Division of Allied-Signal, E. Providence, RI
- Ford Motorcraft, Dearborn, MI

But in the 1970s, following the avalanche of imported cars, the four were joined by two Japanese spark plug suppliers, Nippondenso and NGK, Torrance, CA, and the German giant Robert Bosch, Broadview, IL; by the 1980s the three had also become major players, especially in selling replacement plugs for the growing number of imported vehicles on the road.

The Japanese spark plug makers have benefited from the growth in imported and transplant vehicles. They are OE equipment on the popular Japanese imports and transplants, and are sold at their dealership parts counters at both retail and wholesale. In recent years, a premium, high performance spark plug niche market has appeared. Robert Bosch, NGK, and Autolite all have entries in this higher-priced spark plug category. These plugs appeal to enthusiasts willing to pay premium prices.

Price is a hurdle because consumers have become used to and expect low-priced spark plugs. Due to the bitter competition for planogram footage among seven spark plug suppliers, the consumer has profited. Our surveys show that chains typically stock four brands while jobbers stock three. The chains carry an average of 353 SKUs while jobbers average 588 SKUs of plugs.

DIYers pay less for a spark plug today than for a toothbrush. Indeed, driven by intense competition, pricing has barely risen throughout the 1980s. The DIYer typically pays about $1.29 to $1.39 for a resistor plug. But spark plugs are a heavy promotion item and rebates are common. With just a quick random scan of September advertisements across the country we found AC-Delco resistor plugs at 99 cents with a 50 cent rebate in Ohio and 79 cents with a 50 cent rebate in Texas, Bosch platinum plugs at $1.97 with a $1 rebate on four (San Jose), and Champion resistor plugs at $1.14 with a 25 cent rebate (Philadelphia). While no one likes rebates, no one is willing to be the first to do away with rebating. Even without rebates, NGK plugs were offered for 99 cents in Iowa. So the bitter competition continues between the companies.



WHERE SPARK PLUGS ARE SOLD

Garages and service stations remain the strongest single outlet for spark plug sales.

Outlet	Share	Comments
Garages/Service Stations	30-35%	Still the key outlets, especially garages. Service stations still require equipment.
New Car Dealers	15-20%	Imports, warranties help. Aggressive sector.
Jobber/retailers	15-20%	Keep hard core DIYers with SKU selection.
Auto Chain stores	15-20%	Must educate DIYers on new technologies.
Discount stores	10-15%	Could lose if DIYers slump. Will they maintain service?
Tune-up specialists	5-10%	Solid growth continues.
Others	5-10%	Tire stores up; grocery/drugs down; warehouse stores could be big winners.

Source: *Automotive Marketing* estimates

However, while the pricing has remained steady through the decade, the quality of the plug has risen drastically. Pushed by OE carmakers, manufacturers developed better, longer lasting spark plugs. The 24,000 mile spark plug, which ten years ago was a technological breakthrough, today is simply assumed as the standard for the industry. "Happily, we're still benefitting from the old school thinking among DIYers," said Michael Lenk, manager of product marketing for Champion Spark Plug. "People are still changing plugs at 11-12,000 miles. The problem is that plugs last longer. We're designing ourselves out of business."

And OE car makers are pushing for even longer life plugs, aiming for 60-100,000 miles. At GM, Hansen noted, the company is introducing a 100,000 mile plug on Cadillac and Corvette models this year although it may be ten years until the extended life plugs hit the high volume cars. While this might sound disasterous for the aftermarket, Hansen noted, "As technology changes you do things less often but you pay more dollars. The WD price will be $4.57 or so, but you only have to do it once." In other words fewer sales but more dollars.

And Larry Gomes, technical service manager at NGK, suggested that people will still change plugs: "Although you can expect longer service from plugs, people are so conscious of peak performance for fuel economy and their internal pysche clock they know it's time to tune up the car. Even with 20-30,000 mile plugs, the peak is really the midpoint of the cycle. No matter what part of the car it is, it reaches a point of full service, then diminishes. A plug can fire 100,000 miles, but at what point does its efficiency begin to diminish? It's a juggling act how long it lasts. It varies by locale, by driving manners, by conditions."

Efficiency may become a key word in the 1990s. The new Clean Air Act calls for expanding the number of cities that have to clean up emissions. Since the spark plug is a key component of vehicle emissions systems, we can expect more frequent service intervals.

Finally, what about the DIY market? Manufacturers were basically positive about the future of DIY sales. Although the percentage of DIY sales declined slightly in the 1980s, it is still, at a conservative estimate, at 40-45% of the market. GM's Hansen noted that "there are conflicting viewpoints but we're still working it hard. We don't think it's dying that quickly. Studies show that people like to work on their cars."

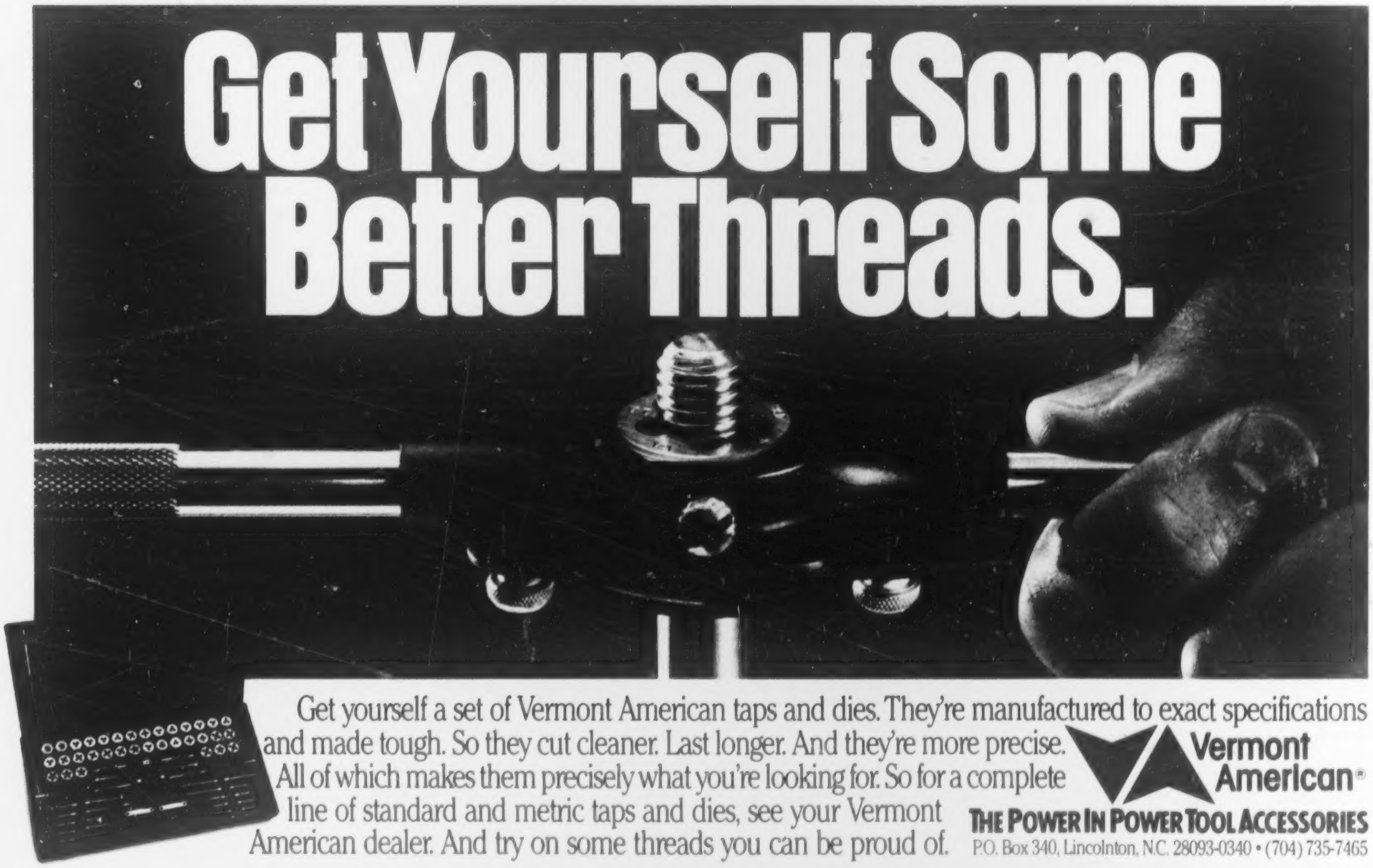
And Gomes said, "DIY will continue strong because of pressure from the economy if nothing else. Sure, cars are more complicated today, but the high volume models are accessible and the plugs reasonably easy to replace." ■

Carquest 1992 Marketing Strategy Means Business

Carquest is a body of 14 distribution companies operating 65 Carquest DCs, which service 2500+ Carquest Auto Parts Stores throughout the United States. The original three 1973 founders and their companies were: Dan Bock, president of Bobro Prods., Bronx, NY (currently serving as the WD/jobber programmed distribution group's president); O. Temple Sloan, Jr., president of then General Parts, Inc., now known as GPI, in Raleigh, NC; and Joe Hughes, president of Indiana Parts Warehouse, Indianapolis, IN.

Elected 1992 chairman of the Carquest is Neil Stockel (shown), president, BWP Distributors, Inc., Bronx, NY. Stockel received his gavel from immediate past chairman, Arthur E. (Art) Lottes, III, president, A.E. Lottes Co., St. Louis, MO, during the recent October Carquest Marketing Conference at the Dallas, TX, Hilton Conference Center.

"We mean business—Team Carquest" was adopted as the theme for this series of general and private sessions and for the coming year. In the general sessions, 11 different speakers discussed Carquest's new branded and private label products, promotions, tech and inside store personnel training, video library, advertising, public image and service offerings, as



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Portrait of a Merging Market

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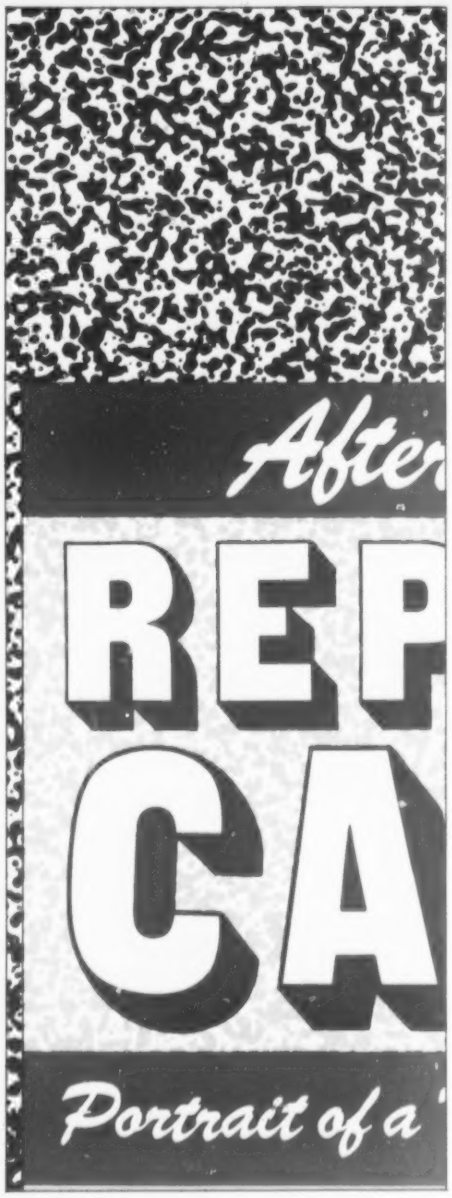

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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Aftermarket

REPORT CARD

Portrait of a Merging Market

As 1992 begins, we quizzed a cross section of *Automotive Marketing's* readers on the aftermarket—where it is and where it's going.

by John Wiesbach,
Senior News & Feature Editor

January is traditionally the time of year for forecasting the future, so we asked a cross section of our readers about the aftermarket and where they see it heading. We surveyed about 250 headquarters, ranging from auto chains to warehouse distributors to jobber retailers to traditional jobbers. We think we have a pretty representative sample: about 5% were 100% retail while another 5% were 100% wholesale. The rest were somewhere in between with the average around 51% wholesale. Some 25% of the total respondent's sales went to parts for imported cars.

SOME DEMOGRAPHICS OF THE SURVEY BASE

We surveyed about 250 headquarters of our 43,000 readers about the state of the aftermarket. We asked them to identify their business. The breakdown was this:

Jobber/retailers	108	46%
Traditional jobbers	69	30
WDs	30	13
Retailers	26	11

Programmed Distribution

Roughly 55% were members of programmed distribution groups. That means if we leave aside retailers, about two-thirds of the jobbers or WDs on the survey were members of one group or another. NAPA was the number one group with some 21% of belonging to it. Carquest and Parts Plus were second with 11% and 10% respectively.

It seems as though programmed groups have gone about as far as they can go. Only 4% of those not belonging to a group intend to join in the future. The rest value their independence. As Theresa Stevenson of G.O. Parts in Portland, OR, replied, "My installer accounts still prefer traditional name brand recognition." A surprising number were members and didn't find enough benefits to being a programmed jobber to continue. Interestingly enough, about 6% of those who are currently members don't see any benefit to belonging to a group.

PROGRAMMED DISTRIBUTION

Most jobbers surveyed belonged to a program distribution group. But, of those not already group members, only 4% planned to join.

Programmed group members:	55%
Non-members	45

The leading groups:

NAPA	21%
Carquest	11
Parts Plus	10
Big A	6
Auto Value	5
Pronto	5

The chief benefits to belonging to a group (more than one answer):

Lower prices	47%
Advertising	41
Obsolescense protection	24
Group Name	19
Daily deliveries	15
Return policy	8
Private labels	7
No benefits	6

We asked the 96% why they didn't want to join a group:

1. I've always been independent
2. Don't like dealing with a single source
3. Cost is too high
4. I was a member and didn't like it.

But most do. Price and advertising are the number one and number two stengths of programmed group membership. The name of the group (nationally known), daily deliveries (for rural jobbers), return policies, and private labels to compete were other key reasons to belong.

WDs
reported 19% of their sales were retail.

Retailers
reported 11% of their sales were wholesale.

Traditional jobbers
reported 63% of their sales were wholesale.

Jobber/retailers
split sales almost evenly: 53% wholesale, 47% retail.

Sales
of parts for imported vehicles averaged 23%.

Controlling Costs

However, with the continuing stress from parts proliferation, fully a quarter of programmed group members saw protection from obsolescence a key reason to belong to a programmed group. In terms of parts proliferation, 83% of our survey reported SKU increases since 1981. The average growth in inventory was some 56%, which means a store stocking 10,000 SKUs in 1981 is now stocking 15,600.

Continued parts proliferation ties in neatly with a second question we asked our readers: What are you doing to control costs? We received quite a few replies to this questions, but the single largest response involved some adjustments and cutting inventories. Jobbers are cleaning out C and D numbers and paying much closer attention to obsolete part numbers. This was far and away the leading cost cutting activity.

Gary Sheets of Mr. G's Auto Parts, Genesco, IL, sums up the major secondary cost cutting measures: "Unprofitable sales routes are being discontinued and hours of employees are being reduced. No overtime. The building is made more efficient in terms of weatherproofing to cut utility bills."

In the Hawaiian Islands, Louis Vierra of SS Auto Parts, writes, "Paying close attention to inventory level and movement to assure our dollars work to our advantage. Monitor employee productivity, advertising expenses, and just awareness and attention to costs and expenses."

CONTROLLING COSTS

We asked the survey members what steps they were taking to control the growing costs of operation. Here is a complilation of the kind of replies we received in order of popularity:

*1. **Inventory:** Adjusting inventories lower, cleaning out C and D numbers. Paying closer attention to obsolete numbers. Buy to meet demand. Shopping around for price.*
*2. **Personnel:** Employees work fewer hours. No overtime. I work more myself. Cut the number of employees.*
*3.**Delivery:** Adding delivery charges. Grouping deliveries. No special order without a deposit.*
*4. **Advertising:** Cutting advertising.*
*5. **Miscellaneous:** Shop for cheaper insurance. Do own accounting. Cut energy costs.*

One retailer said that he was now doing his own bookkeeping which may be more costly in the long run.

Technology

One reason for rising costs is the continued increase in the complexity and technological sophistication of today's vehicles. While it is expected to have a severe impact on the DIY market, more complex technologies are going to present a problem for the counterpeople of the aftermarket.

Some 76% of our survey group said more complex technologies were causing severe problems in running their business. A very small percentage of the survey, in fact, has dropped some lines because of the complexity. However, among retailers, almost half said there were no problems in some cases because the chain simply didn't handle the more complex parts or the chain had trained counter help.

More than half the survey reported little or no increased training to keep up with technology. Among those that did receive additional training, the training came from manufacturer sponsored clinics or manufacturer bulletins.

But while technical training is needed, continued sales training is needed. "The aftermarket is heading into a very complex market," writes Randy Wilson of Ham's Auto Parts in

PARTS PROLIFERATION

We asked about the difference in SKUs or part numbers between 1981 and 1991.

SKUs increased:	83%
SKUs Decreased	8
SKUs stayed the same	9

Survey wide, the average increase in SKUs was **56%**, or a store stocking 10,000 SKUs in 1981 is now stocking 15,600.

Forsyth, GA. "Countermen now need a continuing education program to stay up with today's changing market. Not only do our people need to be knowledgeable and sales oriented, they absolutely must be people oriented. Without making our customers repeat customers, we are *doomed*."

TECHNOLOGY

We asked whether more complex automotive technology was causing serious problems in running a business. The percentage of retailers who said no was more than double the percentage of jobbers suggesting that retailers still don't stock as many complex parts as jobbers.

Yes	76%
No	24

We asked how the business was keeping up with technology:

No answer	52%
Manufacturer clinics	16
More training	12
Manufacturer bulletins	11
Get out of complex lines	5

We asked who did the training of new people:

In-store only	57%
Manufacturer aided	19
WD aided	10
Headquarters	7

Shows/Recycling

There was quite a bit of complaining and comment on the survey about government interference in the aftermarket. And so we wondered how many belonged to the trade associations that can speak for the aftermarket participants. Just 47% belonged to one or another of the trade associations. The lowest percentage of trade association members was among retailers, where only a quarter of those belonged, while half the WDs belonged to an association.

The leading associations were local groups; the leading national association was the Automotive Service Industry Association (ASIA) which commanded 22%. Other associations, the Automotive Parts and Accessories Association (APAA), Specialty Equipment Market Association (SEMA), and Automotive Warehouse Distributors Association (AWDA) all received about 10% each of the survey's loyalty.

A larger percentage, 59%, attended some national trade show every year. Again, WDs led the list with 88% attending one or another show. Almost three-quarters of the retailers also attended a national trade show.

Since almost everyone sells motor oil, we wondered about what retailers and jobbers were doing about waste oil. In May, the Environmental Protection Agency (EPA) must rule on whether or not used motor oil is a hazardous waste. Although several states have already declared oil a hazardous waste, a full 78% of the survey are doing nothing with it. Quite a few suggested that used oil was "the customer's problem, not mine." That may not be quite true. However, a few more reasonable readers said they were simply waiting until the hodgepodge of rules and regulations were clarified.

Where Are We Going?

Last year was a perilous time for retailers in all sectors: According to Dun & Bradstreet, New York, some 17,300 retail businesses will go belly up in 1991 once final numbers are compiled, a 26% increase over 1990's 12,826. And like the rest of the country, our readers are concerned about the future. For example, just more than half (56%) predict rising sales in 1992, and that percentage drops below half in several areas of the country. "I see business down about 10% in 1992," writes Rose Crotty, owner of Crotty's Auto Parts in Jeffersonville, NY. "Our area is very sensitive to the many second home owners here. Construction was booming three years ago but has fallen on hard times. I'm not sure where the aftermarket is heading but with so many new parts being added each year and more inventory needed to do business certainly makes it rough. That combined with new rules and regulations concerning oil, Freon, and antifreeze takes the fun out of the business."

RECYCLING

We asked what outlets were doing about the problem of oil recycling:

Nothing at all	78%
Picked up by recyclers	13
Burn in waste oil heater	5
Send to local landfill	4

These were some of the resposes to why outlets were doing nothing about recycling oil:

1. It's the customer's problem, not mine.
2. Quit selling oil 30 years ago when grocery stores started selling it.
3. When recycling begins here, we will discontinue oil sales.
4. No viable program yet; California has too many complex and misleading laws.
5. Zoning laws do not allow oil storage.

TRADE ASSOCIATIONS

We asked how many members of the survey belonged to a trade association:

Programmed jobbers	62%
WDs	50
Non-programmed jobbers	35
Retailers	25

We asked how many belonged to the major national trade associations:

ASIA	22%
APAA	11
SEMA	11
AWDA	10

We asked how many attended national trade shows:

WDS	88%
Retailers	73
Non-programmed jobbers	56
Programmed jobbers	43

1992 MARKET FORECAST

We asked survey members to forecast sales for 1992:

Sales increase	56%
Sales decrease	15
Sales stay the same	29

Results, however, differed according to the kind of outlet. WDs were the most positive while non-programmed jobbers were the most negative.

WDs	74%
Retailers	40
Programmed jobbers	58
Non-programmed jobbers	44

There were also large variations by region of the country. The most positive areas of the country were:

Area	Sales Increase
California	68%
The South	65
The "Auto Corridor" (OH-MI-IN-KY-TN)	64

On the other hand, the most negative areas were:

Area	Sales Increase
New England and the Northeast	45%
Rocky Mountain states	46
Texas-Oklahoma-Louisiana	48

Perhaps the last statement merits a comment; there seems to be a consensus that business is business and that it is no longer *fun* to be an automotive jobber or retailer. The jobber or retailer has to work to earn and keep his customers. Indeed, as Mike Beasely of Automotion Supply in Ervin, NC, puts it, "We're heading for specialization in our area. Mass retailers holding on to customization and accessories. Jobbers having to pick and choose an area to fully stock lines: Front wheel drive, electronics and sensors, brakes and ABS, heavy duty, remanufactured parts, fleet servicing, tools, air conditioning, etc. There's not much gravy left for the independent jobber."

Since we asked our readers to fill in open ended comments on the aftermarket, it's kind of hard to do justice to their replies with summaries. However, we thought the key answers broke down into four areas of concern:

- First, most feel the large chain will dominate fast turn parts and WD-owned stores will dominate the wholesale market. Others added the dangers of manufacturers selling direct to installers.
- Second, the need for increased training in the face of changing technology
- And third, continued government interference in the market.

But still, most of our readers were guardedly optimistic. For example, Kurt J. Palmberg of Mid-Valley Auto and Truck Parts, Turlock, CA, sees his sales up in 1992: "Because manufacturers are all too often turning their backs on traditional distribution, many jobbers will be squeezed out of the marketplace. But I don't believe manufacturers and WDs can provide the level of service a jobber can, so I'm confident that if we provide great customer service we will grow. We are noting those manufacturers and WDs who turn away from traditional distribution and are refusing to do business with them. But we can't dwell on the negatives. We must be positive in our quest to be the best we can be. It is up to us, not someone else."

And that's a good piece of advice. ■

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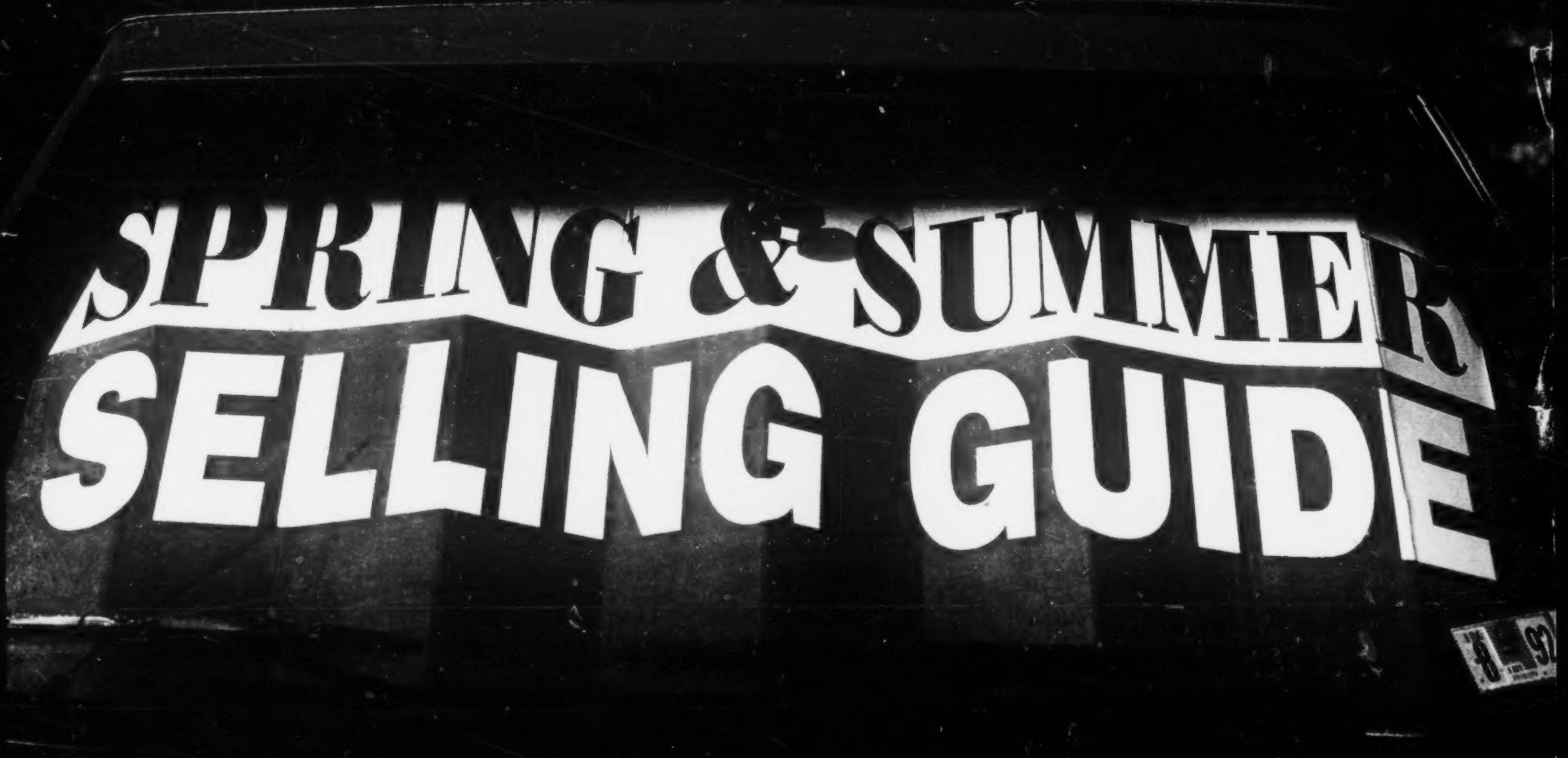

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
Gary R. Ingersoll; President
Donald W. Chestnut; Sr. V.P. Operations/Admin.
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SPRING & SUMMER SELLING GUIDE

What's really behind the recession and how the aftermarket can fight back.

by **Phil Katcher,**
Business Editor

The story as aftermarket jobbers and retailers head into what has always been one of their best seasons, the spring/summer selling season when people fix up their vehicles after winter's wear and tear, is one of continuing stagnation in the midst of an apparent nationwide recession.

In 1991 almost 14,000 retailers filed for bankruptcy in the midst of the nation's eighth recession since 1950, according to the Management Horizons division of Price Waterhouse, Columbus, OH. This leads aftermarket jobbers and retailers like R. Farr, Jr., of Farr's Auto Supply, Granby, MA, to say he's going to spend the spring/summer season "trying to survive."

Psychologically, this recession seems unusually intrenched, even though signs such as the stock market reaching record levels are traditionally optimistic ones which mark a recession's end.

Why This One's So Bad

Why? There have been, says Susan O'Dell, president of Service Dimensions, Inc., Ontario, "since 1980, three economic downturns, the Gulf War, the lack of trust in politicians and other institutions, and an accelerating loss of white collar jobs. No wonder consumers continue to be afraid to spend even when economists announce the end of this recession."

Not that consumers are able to spend as much, even on basics such as vehicle maintenance, as they could a decade ago. According to a recently released study conducted by the staff of the congressional Joint Economic Committee, during the Reagan years families with annual incomes of over $63,000 saw their incomes rise 15%. But, some two-fifths of all two-income families – those making less than $35,000 yearly – saw their income levels stagnate and often actually decline. Families making between $35,000 and $63,000 saw only a slight rise. In both latter cases, considered in available free hours or dollars per hour, standards of living actually fell during the '80s.

The result has been that for the majority of middle class and lower class families, there have been neither dollars nor time to spend on vehicle maintenance, let alone upgrading through new accessories.

"The weakness in the U.S. economy and in retail profitability both stem from the same source," says Carl Steidtmann, chief economist of Management Horizons, "weak productivity growth. In the past three years, the productivity of the U.S. economy has actually declined. That is something that did not happen even in the darkest days of the 1970s."

The reaction among retailers and other service industry companies has been immediate. "They find their cost structures are bloated," according to Stephen S. Roach, principal and senior economist at Morgan Stanley & Co., New York, "their workers haven't increased productivity, and their capacity is excessive.

WHEN THE SPRING/ SUMMER SEASON STARTS

Most readers see their customers doing spring/summer product shopping starting in January. But in some areas the season starts as late as April.

December	**16%**
January	**40**
February	**12**
March	**20**
April	**12**

Source: Automotive Marketing Reader Panel

The response has been to cut costs. And for most service companies, cost cutting means essentially one thing – a reduction of white-collar labor expenses, the single largest component of the service sector's cost structure." Indeed, over 600,000 workers have been cut from retailers' payrolls, according to Management Horizons figures.

"Falling productivity translates into less income, a lower standard of income," Steidtmann says. "It contributes to income inequality, class conflict, and economic stagnation. It is what has made this recovery so Bush League."

OPTIMISM IN THE AIR

Readers today think the aftermarket will be better in 1992 than it was in 1991. This is a major change from how they felt this time last year. And, a considerably fewer readers think economic conditions will continue to worsen in 1992 than did in 1991.

How things will get	Percentage
Better	55%
Better	**22**
Same	39
Same	**46**
Worse	6
Worse	**31**

▨ 1992 ■ **1991**

Source: Automotive Marketing Reader Panel

A White-Collar Recession

In the case of this particular recession, the class conflict is not between white and blue collar workers, as in previous recessions, but between the rich who got richer during the Reagan years and everybody else. This is because much of the cost cutting that has resulted from low productivity has fallen on previously little touched groups of workers.

According to Roach, "cost cutting means essentially one thing – a reduction of white-collar labor expenses." The result? "The burden of economic distress is now being felt by a new segment of the economy – America's white-collar work force. These workers have never before known the true meaning of economic hardship and pain."

A marketing official in the automotive department of a major discount chain told *Automotive Marketing* privately that sales in his department have been off across the board, even in commodity product lines such as motor oil. White-collar workers, as well as blue-collar workers, feel that they can't even afford to maintain their vehicles in record numbers.

SPECIAL SPRING/ SUMMER PROMOTIONS

Most readers have special promotions planned for the 1992 spring/summer selling season.

Will promote	**61%**
Won't promote	**39**

Source: Automotive Marketing Reader Panel

On top of that, another result of the Reagan years has been a backlash against the unbridled greed, the demand for more and more consumer trinkets which appear to offer little or no real value. Says Joan Pajunen, director of operations of Service Dimensions, "It is okay, and in fact even desirable, *not* to spend. In interviews all over North America we hear shoppers saying, 'I just don't need it.'"

SELLING TRENDS IN PRODUCTS

Readers are split on whether there are any trends in new products that will sell especially well in the up-coming spring/ summer selling season. We asked readers if they did or not see such trends.

No trends	**51%**
See trends	**49**

Source: Automotive Marketing Reader Panel

The overall result of the largest aftermarket consumer segment being afraid to spend and simply not wanting to spend has led to much less consumer demand overall. "As consumer demand stays weak," Steidtmann says, "competition and promotional activity will intensify, while prices and retail margins will fall. With margins and productivity falling, the outlook for retail profitability in 1992 is dismal."

What To Do

There are two major conclusions to be drawn from what has gone to make this a worse recession, in peoples' minds if not in fact, than ones in recent memory. First is that the recovery will be slow. According to Quick, he felt some time ago that a recovery would be slow and lengthly

because "I couldn't see who or what could pull our car out of the mud. The public sector didn't have the money to pump into the economy, at any level. Certainly the White House didn't offer (any money) and probably can't."

Given the record deficits the government faces, after years of huge government spending programs and trade deficits, there is little real money on hand for new spending programs or even meaningful tax cuts.

However, everyone agrees that a recovery will come, and in the not-too-distant future. Job slashing has just about reached its peak, says Roach. "Consequently, I look for white-collar employment attrition to diminish in 1992, leading to an improved sense of economic security for that large majority of workers who will survive the first and most dramatic wave of service sector restructuring. As these workers then realize that their livelihood remains intact, they will breathe a sigh of relief and open their eyes to many of the traditional forces of economic recovery that have now fallen into place—namely, sharply reduced interest rates, low inflation, and a competitive dollar. Add to that the growing possibility of tax cut, and—presto—you have the classic ingredients of economic recovery."

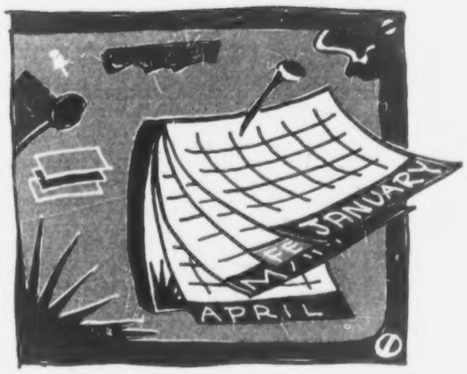
The other major conclusion is that the aftermarket players will have to rethink their businesses to meet changing needs. Says Service Dimension's Pajunen, "The new retail winners will be those who have redesigned their product mix and service delivery to make it palatable for consumers to overcome their disinclination to spend."

Mike Boecker, a Carquest jobber in College Station, TX, goes further: "I see increased competition for DIY business at the mass merchandiser or discount chain level for products like filters and chemicals. Also, there will be increased competition at the automobile dealer level due to extended warranties and advances in design and function such as ABS. What you have is a *decline* of product sales unless you find new business, new customers."

Four Ways To Win

Steidtmann has four suggestions to meet today's economic situation:

- "Invest in customer service. Focus on the customer's information needs." In the aftermarket, this means advertising and efforts to educate end-users on new technology and products. Avis Cox, Cox Auto Supply, Yankton, SD, is one jobber who says he's going to work on Steidtmann's first suggestion. According to Cox, in 1992 his company will "try for improved relations with customers by delivering parts to repair stations, etc."



HOW LONG THE SEASON LASTS

The spring/summer selling season lasts surprisingly long, most readers say. A handful say it even lasts three quarters of a year. We asked readers how many months the season actually lasts.

Months	
None	2%
One	2
Two	5
Three	14
Four	21
Five	14
Six	18
Seven	5
Eight	14
Nine	5

Source: Automotive Marketing Reader Panel

- "Focus and develop a few key categories (of products). Become a destination store in those categories." Your store should be known as *the* store in which at least one product line, be it chemicals or front end parts, can be found for every application. Frank Johnson, Lacey Automotive Parts, Soledad, CA, will do this by stocking "more special products for my clientele."
- "Close marginal stores. Re-direct the investment dollars." Some of those investment dollars should go on inventory to meet the requirements above and equipment for those below. Art Badgley, Art's Prevision Automotive, Godfrey, IL, plans to concentrate on redirecting his investment dollars by "keeping inventory subdued." He's going a step further, saying he's "threatening instant dismissal to anyone over-ordering!" Jay Cohen, Straight Path Auto Supply, West Babylon, NY, is also "watching borderline operations."
- "Intensify systems development and information technology application efforts." Make use of all the new alphabet soup technologies of POS, EDI, and QR or get left behind. Pep Boys' $500 million investment in a great deal of new POS and scanning equipment, as well as store modernization and national expansion, led to a 7% climb in sales in the third quarter of 1991 compared to the same quarter of 1990. And, it puts them in good position for the future.

HOW TO BEAT THE RECESSION

Here's what our readers said they're doing to beat the present recession, in order of the number of times the plans were listed:

1. **Increased promotions**
2. **Improved customer service**
3. **Increased advertising**
4. **Better inventory**
5. **Nothing at all, tied with: Work harder generally**

Source: Automotive Marketing Reader Panel

THE BEST-SELLING PRODUCTS

Our readers predicted a "back-to-basics" approach in what their customers will be buying in the spring/summer selling season.

1. **Tires**
2. **Chemicals**
3. **Batteries**
4. **Wax & polish**
5. **Tune-up products**

Source: Automotive Marketing Reader Panel

To all the above, adds Thomas L. Quick, executive director, Resource Strategies Institute, New York, "if you wish to survive, not to say prosper, you must pay more attention to the assets which many American businesses have traditionally slighted: your human assets. You must find ways to increase the return from your internal people assets and your external people assets. You must persuade your internal assets, your employees, to want to commit themselves to work effectively to achieve your organizational goals year after year, and you must persuade your external assets, your customers, to buy from you year after year. In short, you need to encourage more effective repeat performance from both groups."

So, in the aftermarket today, as Abraham Lincoln said so many years ago, "The dogmas of the quiet past are not adequate for the stormy present." New ways to do business will be needed this upcoming spring/summer selling season. ■

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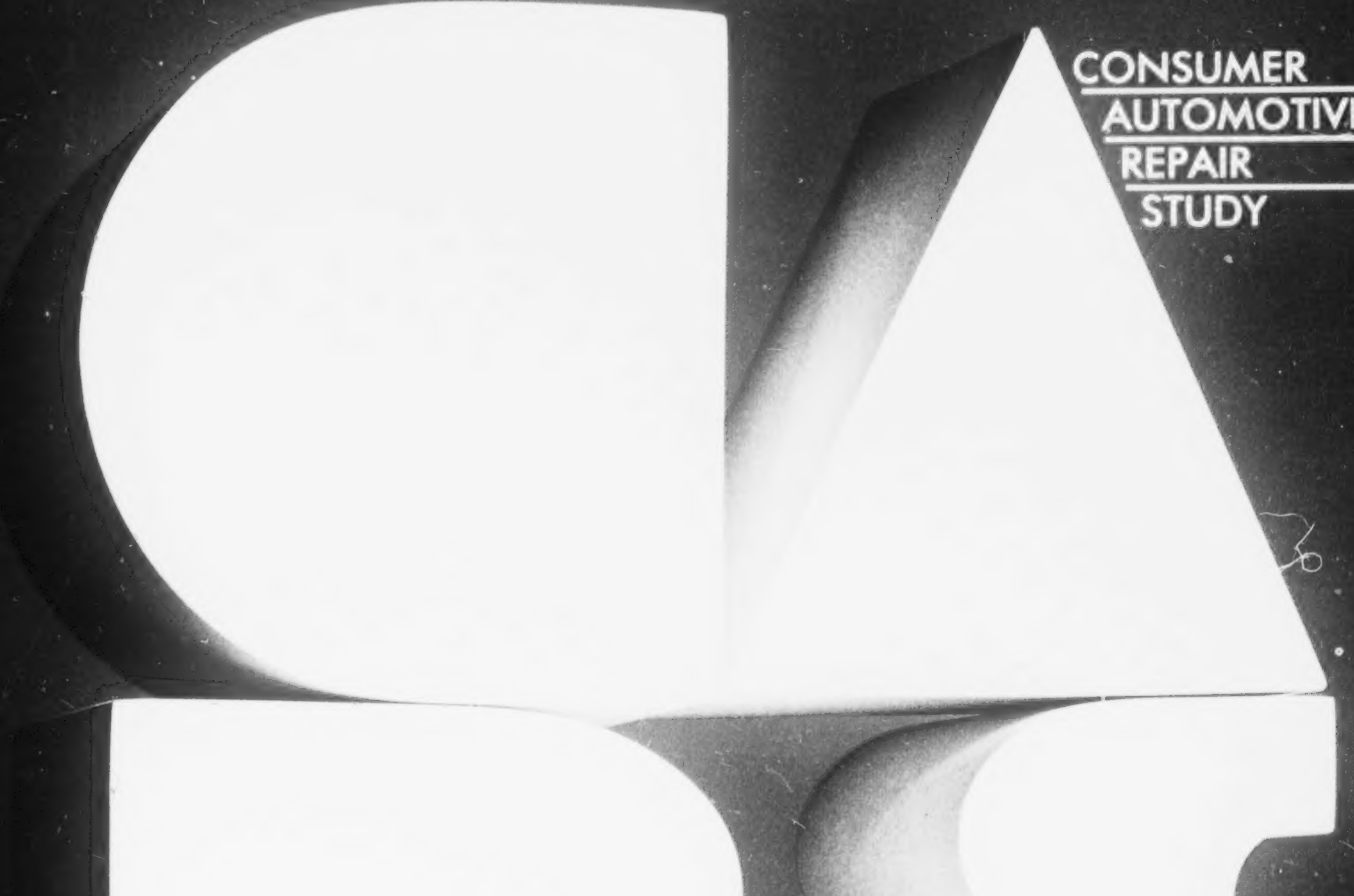

CONSUMER AUTOMOTIVE REPAIR STUDY

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CONGRESSIONAL INFO SER
4520 E. WEST HIGHWAY
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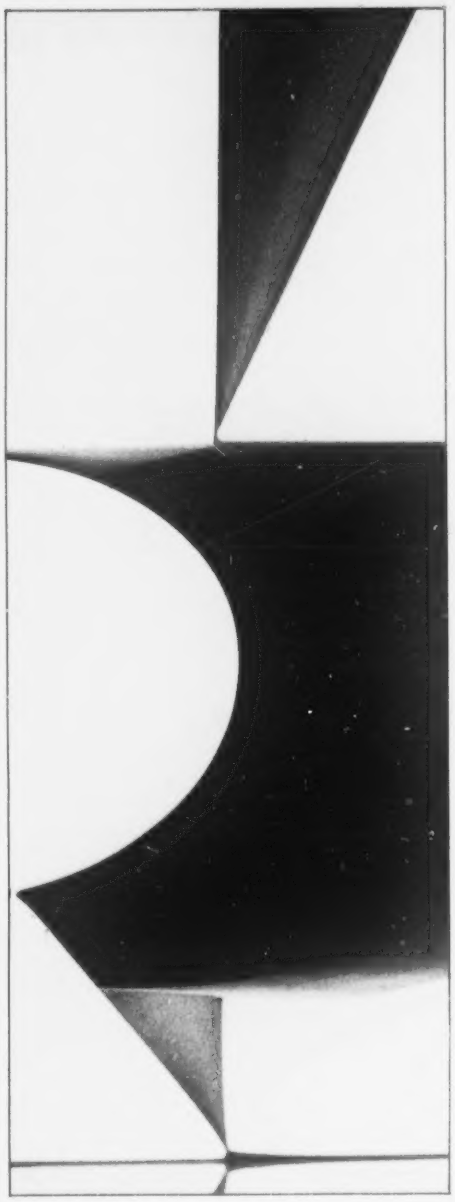

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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Gary R. Ingersoll; President
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JESSE H. NEAL
AWARD-WINNING
PUBLICATION
FIVE OUT OF
EIGHT YEARS

BPA

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MARKET LINE

Automotive Representatives Form Organization Dedicated To Helping Rep Business

Ties between reps have traditionally been as flimsy as fax paper, but a new rep organization plans to change all that. During the week of February 10, a group of reps met in a "locked-door" session in Palm Beach, Florida, to put the organizational finish on the Automotive Manufacturers Representatives Association (AMRA). Chairman Harvey Goldberg (Harvey Goldberg Marketing, Van Nuys, CA) said, "We have a nucleus, now we have to put it into writing. We're going to lock ourselves away from Thursday to Saturday."

News of the new rep association has been linked to reps' concerns over the reported banning of reps by major retailers such as Wal-Mart. In 1986, reps formed the OMR (Organization of Manufacturers Reps) to combat earlier Wal-Mart rumors. After running some striking advertisements in national newspapers, however, OMR faded away. But Goldberg stressed that AMRA "is not a tar and feather group. This is a professional group that wants to become more professional."

Goldberg said the impetus for AMRA began about a year ago when Dave Rognlien (Rognlien Wright Perman, Gardena, CA) got together some California reps. "I went to a couple of meetings he held," Goldberg said. "It took off for a little bit. Groups in Dallas and California got quite interested. Al Melillo (Schnair Sales, Arlington, TX) did a good job (organizing) in Texas. Then I went to the Consumer Electronics Show and met Bill Weiner, who's high in the ranks of the Electronic Reps Association (ERA), Chicago."

The ERA has been around for 55 years and represents some 1,750 electronics rep firms. Weiner, who's been director of marketing at ERA for eight years and previous to that ran his own rep firm for 23 years, said, "I'm from the electronics industry, but a rep is a rep is a rep, whatever field he's in. A few automotive reps came to us and said we need our own organization. In other automotive associations the reps are treated as rep councils or rep committees. They're not rep-oriented. When an issue comes along, they can't even voice it or take action. Only a self-standing organization can do that. Larry Hecker at APAA (Automotive Parts and Accessories Association), Bethesda, MD) was very supportive. He told the reps to form their own self-standing organization. You need it."

Sales force costs as percentage of sales: 3.7%

Goldberg continued, "The ERA said they'd be happy to loan us Weiner and let us operate under their umbrella for mail and phone. Then it started to move. We went to the rep meeting at the APAA Show and did a pitch for AMRA. Dick Salsitz (Dick Salsitz and Associates, Brea, CA) was the first to sign and I was the second. Now we have about 26 to 30 paid members. We also went to SEMA to explain what we're doing and had about 25 or 30 people in the room."

While it's still unclear as to where exactly AMRA will go, Goldberg has some thoughts on the matter: "Forget Wal-Mart, we're interested in doing something nationally. It's not like the OMR. That was a good cause, but it ran out of money. I think they attacked the problem in the wrong way: You don't go up against a giant, you just state your case. I want to see total involvement of agency people. We want to unite and get some guidelines reps can work with. Things like universal contracts, universal insurance, maybe even car rentals. Agencies have been on their own for much too long. Nobody has to be afraid of listening to one another."

Weiner, who will become AMRA's president, said the group has some "mundane" steps to take in Florida. "We have to approve the bylaws, set a mission statement, decide on the makeup of the membership, and form the board of directors. Once we know who we are, what we are, and where we want to be, then we can say how to get there."

Stating the reps' case might become more important in the 1990s. The AMRA comes on the scene just as the rep's role is changing in the merging market. There are somewhere in the neighborhood of 1,000-1,200 rep firms ranging from one-man-at-home operations to the giant 20 and 30-salesman multi-office operations that are becoming more common. Proably the biggest challenge to the rep is a shrinking customer base that results in power buying by the surviving chains. For example, in Minneapolis until this year, a rep could call on four regional chains—Champion, Crown, 10,000 Auto Parts and Big Wheel—during one visit. Today, only two of these chains remain. Do two chains buy as much product as four? Would a new supplier prefer four chances to sell a line rather than two? What happens to the reps selling the defunct chains? How much added power do the two surviving chains have in the market? These are all questions reps have to learn to deal with on a daily basis.

Rightly or wrongly, many power buyers feel that they can do better dealing with principals or at least top-echelon executives rather than reps. Weiner said the big chains are attempting to dictate to manufacturers how they can do business. "And that's just wrong. The manu-

WHY REPS LOSE BUSINESS

According to Lavin Associates, Cheshire, CT, principals fire reps for the following reasons (responses have been rounded off):

- 36%: Not enough manpower, sales or marketing activity.
- 24%: Not enough sales.
- 18%: Poor product knowledge or technical incompetence.
- 14%: Poor communications, lack of market feedback.
- 9%: Competitive line conflicts.

Source: Lavin Associates

THE COST OF A SALES CALL

According to *Sales and Marketing Management* magazine, the cost of a sales call (hotel, meals, car) has risen from $118 in 1986 to $210 in 1990.

1986:	$118.46
1987:	151.51
1988:	171.57
1989:	196.26
1990:	210.34

Source: *Sales and Marketing Management*, June 1991

TRADE SHOWS

AAIW Awaits APAA Decision

By the time you read this, the decision may already have been announced, but as we go to press in mid-February the Automotive Parts and Accessories Association (APAA) is deciding whether to join the Automotive Aftermarket Industry Week (AAIW) in Las Vegas.

AAIW, which consists of the Automotive Service Industry Association Convention from November 1-2, the Big "I" and Specialty Equipment Market Association (SEMA)/Automotive International (AI) Shows from November 3-6, and other activities, is directed by members of ASIA, SEMA/AI, and the Motor Equipment Manufacturers Association (MEMA).

At the group's February 4 meeting in Phoenix, AAIW discussed APAA joining AAIW. However, a final decision must be made by March 1. Presently, the APAA Show is scheduled to run from October 1-3 in Chicago. ■

IT PERFORMS ON THE SHELF

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MARKET LINE

HOW REPS SPEND THEIR TIME

Face to face selling:	30%
Travel and waiting:	23
Telephone sales:	20
Administration:	14
Service calls:	13

Source: Dartnell Corporation, 26th Survey of Sales Force Compensation

facturer establishes policies and along comes someone else and wants an officer of the company to call on him. You'll save so much money, and we want that too. What we'd like to see is the manufacturer say no. We have a contract and a third party should not intrude."

Weiner said, "We have to reinstill the confidence factor in reps. When the reps came to us, their feeling was: What can we do, we're only reps? We have to build confidence and understand how important they really are and what value-added services they provide in the marketing partnership.

Annual turnover rate of salesmen: 9.3%

"It has to be a proactive organization. The challenge is going to be getting people to listen and actually put money down. Some people have invested in other groups and dropped out because they never got their money's worth. We're going to have to support that in a down time. There are a little over a thousand prospective members. We have to hit a high percentage of them. We need several hundred." ■

Pep Boys Sells A Billion, AutoZone Sells More Stock

An early statement from Pep Boys, Philadelphia, reported that the chain had sales of $1,001,508,000 in 1991, up 13% from $884.7 million in 1990. Earnings will not be reported until late March. Pep Boys also noted comparable sales increases of 7% in merchandise, 15% in tires, and 7% in service revenues for the final quarter of 1991. Pep Boys operates 337 stores in 18 states.

At AutoZone, Memphis, the chain announced KKR Associates (an affiliate of Kohlberg Kravis Roberts & Company), which owns about 59% of AutoZone, will sell 4 million of its shares. At the same time AutoZone chairman J.R. Hyde will sell 725,000 of his shares. As we go to press, AutoZone stock is selling at $40 a share. The company operates [illegible]9 stores in 20 states.

PACCAR, Inc., Bellevue, WA, which owns Grand Auto and Al's Auto, announced that 1991 sales slumped by about $425 million to $2,159,627,000. Earnings, likewise declined $8.5 million to $55,157,000. As always, PACCAR did not break out the automotive parts segment but said, "For 1991, auto parts segment operating results continued *below breakeven*, but showed significant improvement over 1990 (our italics). We estimated 1991 PACCAR sales at $226 million. ■

PROGRAMMED DISTRIBUTION

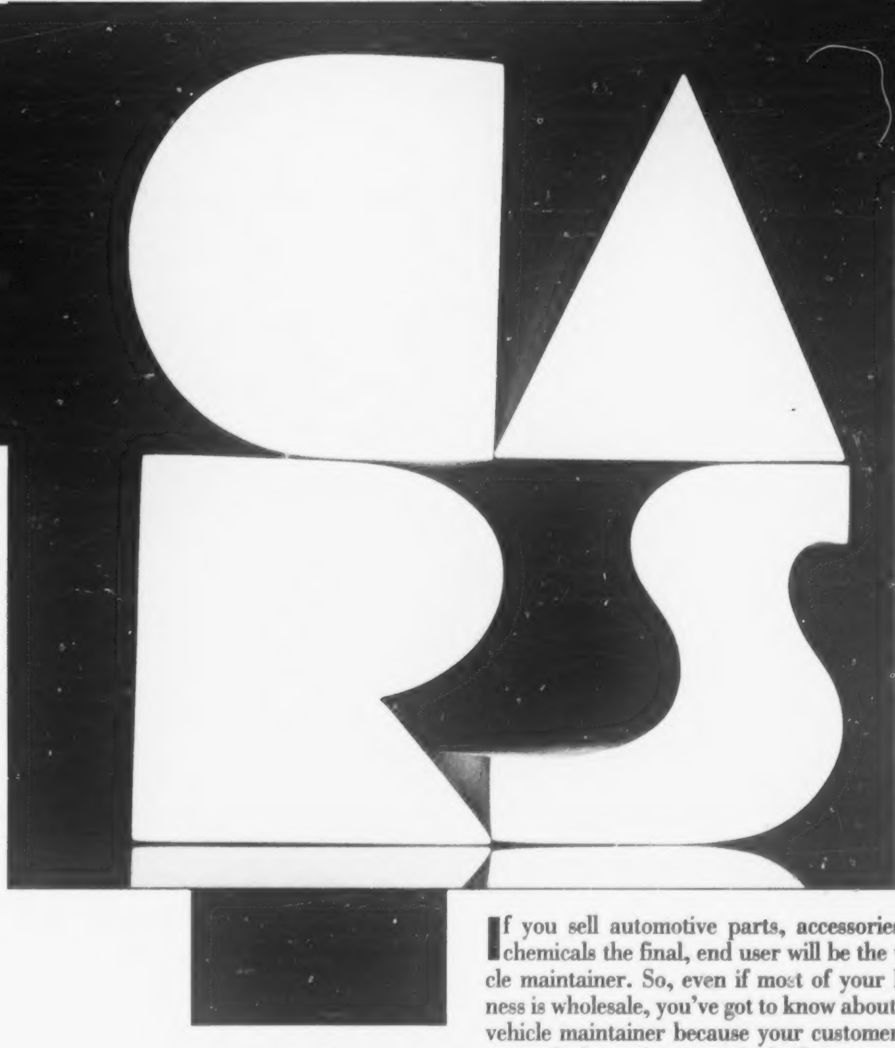
Bumper To Bumper And All-Pro Team Up Under AMA Flag

Long time competitors will soon become friends as the Bumper to Bumper, Nashville, TN, and All-Pro, Andalusia, AL programmed distribution groups merged forces in January to form the Automotive Marketing Association (AMA). AMA will have 28 WD members, 57 distribution centers, and more than 1,550 jobbers in 40 states. Combined sales will total almost $700 million.

Before the merger, All-Pro had 17 WDs serving 450 jobbers in 26 states while Bumper to Bumper had 12 WDs serving some 1,100 stores in 28 states and Canada.

"We realized that in order to become one of the top five groups, we had to work together, we had to all make some sacrifices. We couldn't do it on our own," said Mark Wiggins, formerly All-Pro president and the new AMA executive director. While it's not clear how the two groups will work out overlapping territories yet, the groups realize, Wiggins said, "our competition is *not* Bumper to Bumper or All-Pro, Our competition is really NAPA, Big A, Parts Plus, and some of the others."

Along with Wiggins, Steve Synnott, Bumper to Bumper director of marketing, will serve as director of member services responsible for marketing. Chuck Rider (AEA, Charlotte, NC) will become chairman and Beryle Blanchard



CONSUMER AUTOMOTIVE REPAIR STUDY

by **Phil Katcher,**
Business Editor

Looking at vehicle maintainers—the ultimate aftermarket customers—by their DIY skill levels.

If you sell automotive parts, accessories, or chemicals the final, end user will be the vehicle maintainer. So, even if most of your business is wholesale, you've got to know about that vehicle maintainer because your customer has to reach the maintainer. And, if you can provide that extra bit of service by giving your customer help and understanding in reaching that maintainer, you just may make extra sales.

There are basically four types of vehicle maintainers, non-DIYers, light DIYers, medium DIYers, and dedicated DIYers.

Non-DIYer

The non-DIYer turns to the professional installer for virtually every job on his or her vehicle. In all, 20% of all vehicle maintainers define themselves as "non-DIYers."

By gender, 67% of all non-DIYers are female.

As well, the percentage of vehicle maintainers who are non-DIYers increases, generally, as the maintainers grow oldere. Only 3% of all maintainers less than 25-years-old are non-DIYers. This percentage grows to 9% of maintainers aged between 25 and 34 years of age. In all, 18% of non-DIYers are aged between 45 and 54. And the largst single group—over half—of non-DIYers are 55-years-old or older. This is does not bode well for the retail aftermarket, since the population of America as a whole is aging. As the population ages, obviously the number of non-DIYers grows, too.

The bulk of non-DIYers are found at either end of the annual household income spectrum. In all, 21% of non-DIYers make less than $20,000 in annual household income. Only 12% of non-DIYers make between $20,000 and $30,000, while 17% of non-DIYers make between $30,000 and $40,000. The largest group of non-DIYers, 32%, make over $40,000 in annual household income.

Non-DIYers have all levels of education. In all, 12% didn't receive a high school degree; 30% graduated from high school; 24% have some college or vocational schooling; and a third have a college degree.

Three quarters of all non-DIYers are responsible for maintaining only one vehicle. Another 19% has two vehicles, while 6% has three or more vehicles.

Light DIYers

Light DIYers will handle those simple tasks that many automotive people don't even really consider DIY work. They'll do things like top off oil, but not change oil; wash the car, but not detail it; and put a floor mat in, but not apply body repair products to a rotted out floor.

Of the entire vehicle maintaining population, 38% say they are "light DIYers."

Over half—58%—of those calling themselves light DIYers are female.

By age groups, light DIYers tend to bunch in the middle years. Only 11% of the light DIYers are under than 25-years-old. Another 26% are between 25 and 34 years in age. Of light DIYers, 22% are between 35 and 44 years of age. The percentage of light DIYers falls in the case of those 45 to 55 to 17%. Finally, 24% of light DIYers are over 55.

By income groups, however, light DIYers are found more at either end of the spectrum. Among light DIYers, almost a quarter (23%) have annual household incomes of under $20,000. Another 16% have annual household incomes of $20,000 to $30,000. Virtually the same percentage have annual household incomes of $30,000 to $40,000. And, the largest group, 35%, have annual household incomes of over $40,000.

Light DIYers are, as a group, the best educated of all vehicle maintainers. In all, 35% are college graduates, while another 26% at least attended college or a post-high school technical or vocational school. Another 31% graduated from high school.

As with non-DIYers, most light DIYers tend

VEHICLE MAINTAINERS: DIYERS OR NOT?

We determined that 86% of households in the country with telephones have a vehicle registered in them. Of that, 74% of those who answered the phone are responsible for the maintainence of at least one vehicle in that household. Then we asked them if they were non-DIYers, light DIYers (they would top off oil), medium DIYers (they would change oil), or dedicated DIYers (they would replace the manifold).

	MAINTAINERS			
	Non-	Light	Medium	Heavy
DIY type	D	I	Y	e r
	20%	38%	25%	16%

THE HOUSEHOLD INCOME OF VEHICLE MAINTAINERS

As defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Household Income	D	I	Y	e r
-$10K	9%	9%	7%	6%
$10-20K	12	15	11	14
$20-30K	12	16	19	21
$30-40K	17	16	17	20
$40-50K	12	12	14	14
+ $50K	20	23	23	21

** Does not add up to 100% due to refusals to answer.

THE EDUCATION OF VEHICLE MAINTAINERS

As defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Education	D	I	Y	e r
Under HS	12%	9%	9%	12%
High School	30	31	32	40
Some college	24	26	28	27
College grad	33	35	30	21

** Does not add up to 100% due to refusals to answer.

to have few vehicles to maintain. In all, 62% have only one vehicle, while another 28% have two vehicles. The rest have three or more vehicles.

Medium DIYers

Medium DIYers will attempt fairly easy automotive repair and maintenance jobs. They'll change the oil, change filters, or tune-up a rough-running vehicle. In all, a quarter of all vehicle maintainers define themselves as "medium DIYers."

HOURS SPENT ON VEHICLE MAINTENANCE

We asked people if they were non-DIYers, light DIYers, medium DIYers, or dedicated DIYers. Then we asked them how many hours they spend in an average month performing repairs or maintenance–which could mean taking it to a shop for repairs on their vehicles. From this, we can construct a profile of the average DIYer in each category by how many hours a month they spend on vehicle maintenance.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Hrs/Month	D	I	Y	e r
None	70%	44%	12%	4%
Under 1 hour	8	13	12	6
1-5 hours	17	33	62	59
6-10 hours	2	8	8	18
Over 11 hours	1	2	4	13

** Does not add up to 100% due to refusals to answer.

THE AGE OF VEHICLE MAINTAINERS

As defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Age	D	I	Y	e r
Under 18	*	1%	3%	2%
18-24	3%	10%	11%	10%
25-34	9	26	30	32
35-44	18	22	23	26
45-54	16	17	13	16
55-64	21	12	12	10
Over 65	31	13	7	5**

* Cell too small to measure

** Does not add up to 100% due to refusals to answer.

THE SEX OF VEHICLE MAINTAINERS

As defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Sex	D	I	Y	e r
Male	33%	42%	72%	95%
Female	67	58	28	5

CARS OWNED BY VEHICLE MAINTAINERS

As defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Make	D	I	Y	e r
Acura	2%	1%	*	*
BMW	1	1	1%	1%
Buick	6	4	4	3
Cadillac	8	4	3	4
Chevrolet	13	12	15	20
Chrysler	4	3	3	7
Dodge	5	4	6	4
Jeep/Eagle	*	1	1	2
Ford	12	15	17	20
Honda	3	9	5	4
Hyundai	*	1	1	1
Lincoln	4	1	2	1
Mazda	2	2	3	*
Mercury	4	3	2	3
Nissan	2	6	4	2
Oldsmobile	11	8	7	5
Plymouth	2	3	2	3
Pontiac	5	6	4	5
Subaru	2	1	2	*
Toyota	8	7	6	4
Volkswagen	2	3	4	4

* Cell too small to measure

Once one gets to this DIY-ability level, one finds more men than women maintainers. In all, almost three quarters of all vehicle maintainers (73%) who say they are medium DIYers are also men.

Again, by age groups, medium DIYers tend to cluster towards the middle of the age scale. Only 14% of medium DIYers are under 25-years-old. The largest single group—at 30% almost a third—of medium DIYers are 25 to 34 years of age. Young men are still in that big group of DIYers. The figure drops to just under a quarter (23%) of all medium DIYers who are between 35 and 44 years of age. The lowest single percentage of any group is to be found among medium DIYers who are 45 to 55 years of age or older at 13%. Finally, only 20% of all medium DIYers are aged 55-years-old or older.

The largest single concentration of medium DIYers by annual household income is found at the high end income level. Well over a third (37%) of all medium DIYers make over $40,000 in annual household income. The other medium DIYers are fairly evenly found in other annual household income levels. Of them, 18% make less than $20,000; 19% make between $20,000 and $30,000; and 17% make between $30,000 and $40,000.

Well over half of all the medium DIYers have at least some college education. A total of 30% are college graduates, while 28% attended a post-high school technical or vocational school or college. Some 32% graduated from high school.

The percentage of medium DIYers with more than one vehicle to maintain is larger than with non- and light DIYers. In all, 42% of medium DIYers have only one vehicle to maintain, while almost the same number (40%) have two vehicles. Of medium DIYers, 18% have three or more vehicles to maintain.

Dedicated DIYers

If you're an automotive aftermarket retailer, you already know the dedicated DIYer. He's the guy—most are male—who takes that old

AUTOMOTIVE PRODUCTS PURCHASED OVER THE YEAR

We asked people who maintained a vehicle what they bought or had professionally installed over the past year.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Products	**D**	**I**	**Y**	**e r**
Motor oil	75%	84%	64%	65%
Filters	64	78	69	66
Tune-up parts	43	52	55	52
Antifreeze	37	42	47	43
Brake system parts	24	39	43	41
Batteries	26	35	35	33
Wipers	25	34	34	32
Wax/polish	28	29	34	29
Engine system parts	14	22	30	39
Lighting system parts	14	24	30	33
Exhaust system parts	13	22	29	28
Cooling system parts	9	18	25	26
Other appearance chemicals	11	21	20	17
Gas additives	5	21	21	25
Fuel system parts	11	15	22	29
Tire cleaning products	7	20	20	20
Starting and charging parts	8	14	23	27
Shocks/struts	8	14	18	27
Body repair products	12	12	19	22
Interior cleaning products	7	15	15	16
Front end parts	7	10	14	24
Electronic accessories	6	11	14	14
Books/manuals	2	8	13	23
Custom wheels/ accessories	4	9	12	8
Seat Covers	3	3	8	10
Floor mats	2	9	8	12

AUTOMOTIVE PRODUCTS PURCHASED

We asked people if they were non-DIYers, light DIYers, medium DIYers, or dedicated DIYers. Then we asked them how many automotive products they purchased or had professionally installed during the previous year.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Products	**D**	**I**	**Y**	**e r**
None	19%	7%	9%	15%
1-2	33	21	20	22
3-5	36	45	37	23
6-8	2	6	10	19
9 or more	14	18	19	31

** Does not add up to 100% due to rounding.

TYPE OF STORES VEHICLE MAINTAINERS PATRONIZE

We asked where vehicle maintainers bought their parts, chemicals, and accessories, as defined by how much automotive DIY work they say they do.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Store type	**D**	**I**	**Y**	**e r**
Auto parts	14%	37%	45%	45%
Dept. store	4	17	19	25
Discount	6	37	40	35
Gas station	5	15	17	15
Hardware	3	14	17	16
Drug store	1	5	5	7
Supermarket	3	14	13	12
Convenience	*	11	10	13
Car dealer	1	10	17	23
Specialty	5	18	28	27
Junkyard	*	*	3	2

* Cell too small to measure

** Does not add up to 100% due to multiple mentions.

Corvette apart and puts it back together over a weekend for little more than the fun of it. Although only 16% of all vehicle maintainers say they're dedicated DIYers, they make up the bulk of the sales to most aftermarket retailers and retail jobbers.

Only a handful (5%) of all vehicle maintainers who say they're "dedicated DIYers" are female.

The bulk of dedicated DIYers are found in the young adult age groups, although not the very young vehicle maintainer group. Only 11% of dedicated DIYers are in the under 25 age group. Indeed, the big groups of dedicated DIYers are between 25 and 44 years of age. In all, 32% of all dedicated DIYers are between 25 and 34, while another 27% are between 35 and 44 years of age. Then the numbers of dedicated DIYers fall as the population ages. Only 16% of dedicated DIYers are between 45 and 54 years of age. Almost the same percentage of dedicated DIYers (15%) are 55-years-old or older.

Repairing and rebuilding cars, light trucks, and utility vehicles can be an expensive hobby. Therefore, it's no surprise to find dedicated DIYers at the high end of the income spectrum. In all, 35%—well over a third—of all dedicated DIYers have an annual household income of over $40,000. The rest of the dedicated DIYers are pretty well evenly spread in income groups. Of them, 20% make under $20,000 in annual household income; 21% make between $20,000 and $30,000; and 20% make between $30,000 and $40,000.

In terms of education, the largest single group of dedicated DIYers have only a high school diploma at 32%. Another 30% have college degrees, while 26% attended college or a post-high school technical or vocational school.

If your vehicle is also your hobby, as is the case with many dedicated DIYers, often you'll need two or more vehicles. The one that takes the work, be it a sports car or an old utility vehicle, is often a weekend warrior. Another, dependable vehicle is often the daily commuter vehicle, and that doesn't need or receive much automotive DIY work.

Therefore, it's not surprising that almost half (46%) of all dedicated DIYers own three or more vehicles. Another 37% have two vehicles.

Finally, for the purpose of this study, it should be mentioned that around 1% of all vehicle maintainers didn't know how to define themselves in terms of automotive DIY. ■

STUDY METHODOLOGY

This year's Consumer Automotive Repair Study (CARS) was made of everyone, both DIYers and non-DIYers who maintains vehicles—the entire aftermarket customer base. The purpose is to show where the DIY market fits in the overall vehicle maintainer world.

To do this study, as in the previous eight studies, we retained the services of Chilton Research Services, one of the country's leading market research firms. Its interviewers called 1,812 households across the country—139 more than last year—over a month-long period, asking each respondent if anyone in the household owned one or more vehicles. In all, vehicles were owned in 1,538 households.

The researchers then asked if the person on the phone were responsible for maintaining any of the vehicles. If the person reached on the phone did not qualify as a vehicle maintainer, the interview was ended.

The remainder were then asked to participate in CARS. In all, 1,179 individuals who were responsible for maintaining a vehicle cooperated with Chilton Research. These individuals were read a list of automotive products. If they purchased any of these products, they were asked a set of questions about their buying habits for those products. As well, we asked who installed the product—a DIYer or a professional—and why the maintainer chose that method of installation.

The answers that the interviewers got were "top-of-mind" answers. Many questions were open-ended, meaning that the interviewers did not provide a list of possible answers for a respondent to select from. Instead, the interviewers took down the respondent's first answer. Market research professionals feel that lists of suggested answers tend to prejudice the responses.

It must be noted that in no way are the figures produced in this study comparable with previous CARS studies which concentrated on DIYers only. However, as in previous studies, this study is nationally projectable, using weighted numbers. It gives an accurate picture of the ultimate consumer for the entire aftermarket—the vehicle maintainer.

(Circle # 12 on Product Information Card ◆)

CONSUMER
AUTOMOTIVE
REPAIR
STUDY

Wipers

The seventh most purchased products on our survey were windshield wipers, with 32% of all maintainers buying them over the previous year.

In the old days of full-service gasoline stations, most wiper purchases were made at gas stations when attendants recommended replacing them on streaky windshields. Today, only 12% of those who bought wipers got them at gas stations, while 43% went to an auto parts store for wipers. Another 13% went to a discount store, while 10% went to a specialty installer, and 9% went back to the car dealer.

At 62%, most wiper purchasers either put them on themselves or had another DIYer do the job. Almost the same number, 11%, of those who bought wipers at gas stations had gas station attendants install them. There was a wide spread in wiper DIYers among men, of whom 66% installed their own wipers; and women, of whom only 21% also installed them.

Among those who installed their own wipers, 60% of the women said they did it because it was a simple job, while only 32% of the men gave that same reason. Another third of women installers vs. 18% of male installers said they did it because they could "do it myself." On the other hand, 32% of men said they did it themselves to save money, while only 26% of women gave that reason. Overall, among all maintainers, 37% said they did it themselves because it was easy, while 31% said they did it to save money.

National advertising pays in the wiper area. In all, only 23% said they specified a brand of wiper, but 10% asked for a nationally advertised brand. Some 3% said they asked for an OE manufacturer's brand, while the rest obviously didn't know anything about brands since they quoted inappropriate brand names, such as one individual who cited the name of a well-known wax and polish manufacturer.

Just over a quarter (27%) of the buyers who didn't specify a brand said they didn't know anything about wiper brands. Another 18% said they didn't believe there was a difference between brands, while 13% simply accepted whatever brand the professional technician installed. Jobbers have to sell that technician to move wipers and blades.

WHERE MAINTAINERS BOUGHT WINDSHIELD WIPERS

The automotive parts store is still the most popular place for wipers and blades purchases among more capable DIYers.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Outlet type	D	I	Y	e r
Auto parts store	30%	35%	49%	62%
Discount store	4	14	14	21
Gas station	31	12	9	*
Specialty installer	11	12	10	*
Dept. store	3	2	2	9

WHO INSTALLS WINDSHIELD WIPERS

Dedicated DIYers are far more likely to install their own wipers and blades than other DIYers.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Installer	D	I	Y	e r
DIYer	19%	53%	76%	100%
Gas station	30	11	9	*
Car dealership	14	11	3	*
Auto parts store	14	6	2	*
Specialty installer	7	12	10	*

HOW MANY MAINTAINERS SPECIFY WIPERS BY BRAND NAME

DIYers are more brand conscious, although most maintainers don't specify brands despite consumer advertising.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
	D	I	Y	e r
Do specify	13%	20%	24%	40%
Don't specify	87	80	76	60

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands don't know the difference between brands.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Don't know brands	33%	28%	27%	15
No difference	29	12	13	31
Technician installed	4	23	8	*
Cheapest around	*	2	4	10

WHAT TYPE OF VEHICLE THEY BOUGHT WIPERS FOR

Three quarters of all vehicle maintainers bought wipers and blades for their cars. But, non-DIYers bought more wipers and blades for cars than did dedicated DIYers by a large margin.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Vehicle	D	I	Y	e r
Cars	87%	72%	71%	48%
Light truck	6	10	11	22
Van	*	5	7	14
Utility vehicle	*	6	3	9

WHY DIYERS INSTALL THEIR OWN WINDSHIELD WIPERS

Most DIYers install their own wipers and blades because it's such an easy job.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Simple to do	*	37%	46%	29%
Can do it	*	30	8	27
To save money	*	21	27	46%
Needed the job done	*	18	10	18
No time	*	*	3	15

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN WINDSHIELD WIPERS

Most of those other than dedicated DIYers who didn't install their own wipers and blades don't know how to do it.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Don't know how	62%	42%	19%	*
Car already in for service	7	10	12	*
Too busy	7	14	15	*
Don't like doing it	11	5	4	*
Don't enjoy	12	11	5	*

* This response not given by anyone in this group.

CONSUMER
AUTOMOTIVE
REPAIR
STUDY

Paint & BODY REPAIR

In hard times where people aren't buying new cars, paint and body repair products are sure sellers. In all, 16% of vehicle maintainers said they'd bought this sort of product during the past year.

The auto parts store is the place where the largest single group of maintainers head for these products. Almost a third of all body repair product buyers (29%) bought these products at auto parts stores. Another 23% went to an independent garage; 21% to a car dealer; and 10% to a specialty installer. In fact, looking at specialty installers such as body shops, the largest groups of body repair products from these outlets are maintainers who are less than 25-years-oid; making under $30,000 or less in annual household income; medium DIYers; and maintaining one or two cars.

When, however, one looks at the 10% who had body repair products applied at specialty installers, one sees some different demographic groups. While those under 25-years-old patronized these outlets in a percentage larger than the overall average, so did those aged over 45. Those making $20,000 or less in annual household income were still big specialty installer outlet patrons. Abuth the same percentage of medium DIYers had these outlets put the products on that light DIYers. And the largest group of vehicle maintainers had two vehicles for which they were responsible.

Traditionally, there are two groups of body repair product buyers—those with major damage who return the vehicle to a body shop or new car dealer to have repairs done, and those with minor damage who buy spray paint or a rust removal and replacement kit for small rust spots or dings. In the first case, the buyer simply took whatever brand the technicial used. Indeed, just over a third (34%) of all body repair product buyers who didn't specify a brand said that they took whatever "the mechanic installed." In the second group, buyers acquired what they thought matched their car's paint job. Among those who specified brands, 41% said they bought the OE maker's paint. However, only 1% of those who didn't specify brand said they just picked the color that matched, while another 33% said they had "no knowledge of product brands."

WHO INSTALLS BODY REPAIR PRODUCTS/PAINT

Dedicated DIYers are far more likely to install their own body repair products and paint than other DIYers.

MAINTAINERS

	Non-	Light	Medium	Heavy
Installer	D	I	Y	e r
DIYer	*	17%	30%	54%
Car dealership	37%	18	18	14
Independent garage	51	27	21	14
Specialty installer	*	14	15	5
Body shop	*	8	4	5

WHY DIYERS INSTALL THEIR OWN BODY REPAIR PRODUCTS/PAINT

Most DIYers install their own body repair products and paint to save money.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
To save money	*	63%	58%	38%
Can do it	*	*	19	20
Simple to do	*	37	*	18
Enjoy it	*	*	*	37
Saved time	*	*	19	*

HOW MANY MAINTAINERS SPECIFY BODY REPAIR PRODUCTS/PAINT BY BRAND NAME

Dedicated DIYers are the only ones who really specify body repair products and paint by brand name.

MAINTAINERS

	Non-	Light	Medium	Heavy
DIYer				
Do specify	14%	28%	19%	54%
Don't specify	86	72	82	46

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question; dedicated DIYers don't know the difference between brands.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Technician installed	47%	45%	26%	19%
Don't know brands	48	21	28	52
No difference	*	*	17	11
No reason	*	5	*	*

WHAT TYPE OF VEHICLE THEY FOR WHICH THEY BOUGHT BODY REPAIR PRODUCTS/PAINT

Three quarters of all vehicle maintainers bought body repair products and paint for their cars. Non-DIYers bought more body repair products and paint for cars than did dedicated by only a slight margain.

MAINTAINERS

	Non-	Light	Medium	Heavy
Vehicle	D	I	Y	e r
Cars	89%	80%	63%	77%
Light truck	11	10	34	18
Van	*	11	4	*
Utility vehicle	*	*	*	5

WHERE MAINTAINERS BOUGHT BODY REPAIR PRODUCTS/PAINT

The automotive parts store is still the most popular place for body repair products and paint purchases among more capable DIYers while non- and light DIYers go for professional installation.

MAINTAINERS

	Non-	Light	Medium	Heavy
Outlet type	D	I	Y	e r
Auto parts store	6%	10%	40%	54%
Car dealership	37	22	18	14
Independent garage	44	26	14	13
Specialty installer	*	15	12	9
Body shop	7	12	4	5

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN BODY REPAIR PRODUCTS/ PAINT

Most of those who didn't install their own body repair products and paint say they didn't know how to do the job.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Don't know how	67%	72%	87%	63%
Too busy	25	11	4	*
Don't have tools	6	19	*	9
Don't like doing it	14	4	6	*
Want it done right	*	*	*	10

* This response not given by anyone in this group.

CONSUMER
AUTOMOTIVE
REPAIR
STUDY

Tune-up
PARTS

Tune-up products are the third most purchased product category of all we studied. In all, over half (51%) of all vehicle maintainers purchased some sort of tune-up product such as spark plugs, control modules, or points, during the previous year.

Tune-up product purchase levels grow with education, experience, and affluence. The highest levels of tune-up product purchasers, by demographic categories, were among those who are male (57%), 35 to 44 years old (59%), making over $40,000 in annual household income (64%), and responsible for two vehicles (61%).

Almost a quarter of all tune-up product buyers return to the dealer to buy these products. Yet, auto parts stores are overall the most popular purchase place, with 36% of all purchasers buying them at these stores. Despite the growth of specialty installer outlets in this product category, overall only 8% bought the products at these outlets. In all, 9% of all male tune-up product buyers went to specialty installers, vs. 6% of female buyers. On the other hand, 42% of men went to auto parts stores compared to 28% of female buyers.

Just over a quarter (26%) of all tune-up product buyers specified a brand of tune-up product. Just over a third of men specified a brand compared to only 13% of female tune-up products buyers. As well, the percentage of those who specified brands fell off as the maintainers grew older. Among those under 25 years old, 40% specified a brand; 29% of those 25 to 34 did so; 28% of those 35 to 44 did; 24% of those 45 to 54 did; and 16% of those over 55 years old specified a brand.

Of those who didn't specify a brand, most (41%) simply accepted what the professional technican installed. Here's an area where a jobber can move products simply by getting them into the hands of the professional installers. Otherwise, almost a quarter (24%) said they didn't know the brands, while 10% said there was no difference. More women (41%) than men (10%) said they didn't know the brands.

In today's economy it's no surprise to find that over half (59%) of those who installed their own tune-up parts did so to save money.

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question;
Non-DIYers don't know the difference between brands.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Technician installed	31%	50%	43%	11%
Don't know brands	45	21	14	6
No difference	5	6	16	27
No reason	2	2	*	2

* Cell too small to measure.

HOW MANY MAINTAINERS SPECIFY TUNE-UP PARTS BY BRAND NAME

DIYers are more brand conscious.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
DIYer				
Do specify	5%	18%	28%	62%
Don't specify	95	82	72	38

WHO INSTALLS TUNE-UP PARTS

Dedicated DIYers are far more likely to install their own tune-up parts than other DIYers.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Installer	D	I	Y	e r
DIYer	*	5%	36%	81%
Car dealership	35	27	21	4
Independent garage	25	24	11	2
Specialty installer	7	10	11	6
Gas station	15	9	2	3

* Cell too small to measure accurately.

WHAT TYPE OF VEHICLE THEY BOUGHT TUNE-UP PARTS FOR

Three quarters of all vehicle maintainers bought tune-up parts for their cars. But,
Non-DIYers bought more tune-up parts for cars than did dedicated by a large margain.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Vehicle	D	I	Y	e r
Cars	90%	82%	65%	66%
Light truck	2	9	17	13
Van	6	5	5	3
Utility vehicle	2	1	5	2

WHERE MAINTAINERS BOUGHT TUNE-UP PARTS

The automotive parts store is still the most popular place for tune-up parts purchases among more capable DIYers while non- and light DIYers go for professional installation.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Outlet type	D	I	Y	e r
Auto parts store	9%	25%	52%	68%
Car dealership	35	27	21	12
Independent garage	25	20	10	2
Specialty installer	5	10	8	7
Gas station	16	9	2	3

WHY DIYERS INSTALL THEIR OWN TUNE-UP PARTS

Most DIYers install their own tune-up parts to save money.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
To save money	*	42%	72%	51%
Can do it	*	15	21	34
Simple to do	*	25	17	7
Enjoy it	*	*	11	15
Needed the job done	*	17	11	9

* This response not given by anyone in this group.

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN TUNE-UP PARTS

Most of those other than dedicated DIYers who didn't install their own tune-up parts say they didn't know how to do the job.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Don't know how	73%	63%	46%	15%
Too busy	20	25	17	11
Don't have tools	5	8	12	20
Don't like doing it	9	9	7	*
Want it done right	5	4	8	22

* This response not given by anyone in this group.

CONSUMER
AUTOMOTIVE
CARS
REPAIR
STUDY

Additives

While additives are easy to use and promise to restore a vehicle's performance, getting consumers to understand their value has always been a problem. The result is that only 18% of all vehicle maintainers have bought additives over the past year, putting the product category squarely in the middle of the list of product categories.

The fact that people who do pay attention to their vehicles also use additives should indicate that the products actually are of value. In all, a quarter of dedicated DIYers bought additives compared to only 5% of non-DIYers. A higher percentage of people maintaining three or more vehicles buy additives than those with only one vehicle.

Of those who bought additives, 37% bought them in auto parts stores; another 23% in discount stores; and 20% in gas stations. Then, they took the additives home where 71% of them themselves and 14% of friends or relatives poured the additive in. Only 15% didn't put in their own additives and a quarter of them said they didn't know where to put it. In all, 31% of women non-DIYers gave ignorance as their excuse, compared to only 12% of men. Another 13% of all non-installers didn't have time to do it themselves; 46% of this group were men.

Among the majority who poured in their own additives, 41% said that they did so simply because it was easy to do, while a quarter said they wanted to save money by doing it themselves. Twice as many men as women did it to save money, while only 6% more men than women did it because it was simple.

Just over half (52%) said they wanted a specific additive brand, although only 8% of them didn't know what that brand was called when asked. Men, at 54%, tended to ask for a specific brand more than women, at 48%. Those who make over $40,000 in annual household income asked for a specific brand more often, at 57%, than those making less than $20,000 at 51%.

When asked why they didn't ask for a specific brand, almost a third (31%) said there was no difference between additives on the market. The second largest group at 14% said they didn't know what brands were out there or anything about them.

WHO INSTALLS ADDITIVES

Dedicated DIYers are far more likely to install their own additives than other DIYers, although even over a third of all non-DIYers buy additives to have someone other than a professional use.

MAINTAINERS

Installer	Non- D	Light I	Medium Y	Heavy e r
DIYer	35%	84%	83%	100%
Gas station	49	*	3	*
Car dealership	16	7	3	*
Auto store	*	2	3	*
Specialty installer	*	4	*	*

HOW MANY MAINTAINERS SPECIFY ADDITIVES BY BRAND NAME

DIYers are only slightly more brand conscious.

MAINTAINERS

	Non- D	Light I	Medium Y	Heavy e r
Do specify	51%	50%	49%	59%
Don't specify	49	50	51	41

WHERE MAINTAINERS BOUGHT ADDITIVES

The automotive parts store is still the most popular place for additive purchases among more capable DIYers while non- and light DIYers go for professional installation.

MAINTAINERS

Outlet type	Non- D	Light I	Medium Y	Heavy e r
Auto parts store	*	39%	39%	40%
Gas station	49	15	27	16
Discount store	19	24	24	20
Car dealership	16	4	7	9
Dept. store	*	2	*	8

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands don't know the difference between brands.

MAINTAINERS

Reason	Non- D	Light I	Medium Y	Heavy e r
Don't know brands	68%	13%	15%	*
No difference	*	25	20	72%
Technician installed	*	15	7	*
Cheapest	*	*	12	*

WHAT TYPE OF VEHICLE THEY BOUGHT ADDITIVES FOR

Three quarters of all vehicle maintainers bought additives for their cars. But, non-DIYers bought more additives for cars than did dedicated DIYers by a large margin.

MAINTAINERS

Vehicle	Non- D	Light I	Medium Y	Heavy e r
Cars	84%	82%	60%	68%
Light truck	16	4	20	8
Van	*	7	4	12
Utility vehicle	*	*	*	*

WHY DIYERS INSTALL THEIR OWN ADDITIVES

Most DIYers install their own additives because the job is simple and easy to do.

MAINTAINERS

Reason	Non- D	Light I	Medium Y	Heavy e r
Simple to do	*	49%	48%	24%
To save money	*	11	29	41
Can do it	*	11	9	24
Needed the job done	*	6	19	17
Be sure it's done right	*	3	*	12

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN ADDITIVES

Most of those who didn't install their own additives say they didn't know how to do the job.

MAINTAINERS

Reason	Non- D	Light I	Medium Y	Heavy e r
Don't know how	49%	29%	*	*
Too busy	16	13	12	*
Want it done right	*	7	13	*
Car being service	*	6	11	*
Don't like doing it	*	17	*	*

* This response not given by anyone in this group.

CONSUMER
AUTOMOTIVE
REPAIR
STUDY

Floor MATS

There's virtually a tie for most popular places to buy floor mats between auto parts stores, where 31% bought, and discount stores, where 27% bought. Men shop for mats at discount stores and auto parts stores equally (29% each), while women, at 35%, tend to prefer auto parts stores, in an unusual gender switchover. Another 20% buy their mats at their car dealers, and this percentage stays the same with men as women.

There can't be much of an easier product to put in than floor mats. After all, the buyer simply pulls them off the packaging and places them on the car floor. Even so, some 15% of all buyers don't put them in themselves or have a friend or relative do so for them. In fact, not one person who said they were a "non-DIYer" put their own floor mats down.

About a tenth of all floor mat buyers have them put in by the car dealer, leaving another 5% who go to discount stores, specialty installers, independent garages, and upholstery shops or carpet stores.

When asked why, a tenth of all floor mat buyers who didn't install their own mats said that they got them new with the car. Another tenth said they didn't like doing the job, while 12% said they were too busy. Some 6% said their car was already being worked on, while a surprising 6% said they lacked the "proper tools," whatever they may be.

Floor mat buyers either don't know about or care about different brands. Only 22% specified a brand of floor mat. And, of them, 64% wanted the OE car maker's floor mats while 5% specified a brand that was cheapest or on sale. Interestingly, a higher percentage of women to men (27% vs. 19%) said that they specified a floor mat brand.

One may suspect that the reason is that most buyers simply go into an outlet and buy the right fit and color floor mat. Not necessarily. Indeed, overall only 3% of all floor mat buyers who didn't specify brand said they bought a mat with the right color or fit. Another 20% said that there is no difference between brands, while 19% said they didn't know the brands available. Only 1% admitted to buying floor mats because they were cheap or on sale.

WHO INSTALLS FLOOR MATS

Who doesn't install floor mats? Very, very few.

MAINTAINERS

Installer	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
DIYer	26%	83%*	90%	95%
Car dealership	44	14	5	*
Discount store	33	*	5	*
Carpet shop	*	*	*	5
Specialty installer	*	3	*	*

WHERE MAINTAINERS BOUGHT FLOOR MATS

Discount stores virtually tie with automotive parts stores as the most popular place for floor mats purchases.

MAINTAINERS

Outlet type	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Discount store	33%	20%	34%	32%
Auto parts store	26	26	39	34
Car dealership	44	20	23	12
Dept. store	*	15	*	9

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands don't know anything about the different brands.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Don't know brands	59%	15%	22%	17%
No difference	*	25	23	11
Technician installed	*	3	*	6
Correct color	*	6	*	*

HOW MANY MAINTAINERS SPECIFY FLOOR MATS BY BRAND NAME

DIYers are apparently less brand conscious.

MAINTAINERS

DIYer	Non-	Light	Medium	Heavy
Do specify	44%	23%	13%	26%
Don't specify	56	77	87	74

WHAT TYPE OF VEHICLE THEY BOUGHT FLOOR MATS FOR

Three quarters of all vehicle maintainers bought floor mats for their cars. But, non-DIYers bought more floor mats for cars than did dedicated by a large margain.

MAINTAINERS

Vehicle	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Cars	100%	86%	68%	63%
Light truck	*	3	15	12
Van	*	5	9	8
Utility vehicle	*	7	9	9

WHY DIYERS INSTALL THEIR OWN FLOOR MATS

Most DIYers install their own floor mats because it's easy to do.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Simple to do	*	51%	75%	40%
Can do it	*	23	14	17
To save money	*	20	13	21
Needed the job done	*	3	9	8
See it's done right	*	3	*	13

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN FLOOR MATS

Most of those other than dedicated DIYers who didn't install their own floor mats say they didn't have time to do the job.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Too busy	*	9%	50%	*
Car already in for service	*	*	50	*
Don't have tools	*	*	*	100%
Free service	56%	9	*	*
New car	*	17	*	*

* This response not given by anyone in this group.

CONSUMER
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STUDY

Protectants

In all, 18% of vehicle maintainers bought some sort of appearance chemical such as a protectant or vinyl cleaner during the past year. Interestingly, those under 25-years-old made up a major market for appearance chemicals, with 32% of those in that group buying the products. This compares to the fact that only 9% of those 55-years-old or older bought appearance chemicals.

Over a third (35%) of all appearance chemicals went to an auto parts store to buy the product. Again, those under 25 bought appearance chemicals at an auto parts store at a greater rate (37%) than those over 55 (25%). Otherwise, a quarter of all vehicle maintainers bought appearance chemicals at discount stores, 9% at new car dealers, 7% at automotive specialty outlets, and 6% at car washes.

It's pretty simple to spray on a protectant or vinyl cleaner appearance chemical and so it's no surprise that 79% of all the buyers of these products had them applied by a DIYer, mostly the buyer him or herself.

When asked why, just under half (48%) said applying appearance chemicals was an easy task or they could do it. Another third (36%) said they did it to save money.

However, another 9% of all appearance chemical buyers apparently weren't as concerned about costs and had a car dealer apply the appearance chemical; 6% had it applied by an automotive specialty outlet; while 5% went to a car wash or detailing shop for an application.

In all, just over a quarter (26%) specified one brand of appearance chemical, a brand which in many ways developed the entire product category.

But over half (57%) of all appearance chemical buyers didn't specify any brand at all. Those less than 25-years-old (80%), those making over $40,000 in annual household income (61%), and non-DIYers (82%) made up the largest groups, by demographic areas, of non-specifiers. When asked why they didn't choose a brand, the largest group (23%) said they had no knowledge of product brands, while another 12% said there was no difference between brands. A total of 17% accepted whatever the professional applier used.

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question; interestingly enough, many dedicated DIYers don't know the difference between brands.

MAINTAINERS

Reason	Non-	Light	Medium	Heavy
	DIYer			
Technician installed	29%	13%	21%	12%
Don't know brands	21	27	7	37
No difference	9	13	13	12
Cheapest around	*	*	8	15

HOW MANY MAINTAINERS SPECIFY PROTECTANTS BY BRAND NAME

DIYers are more brand conscious.

MAINTAINERS

	Non-	Light	Medium	Heavy
DIYer				
Do specify	18%	34%	59%	50%
Don't specify	82	66	41	50

WHERE MAINTAINERS BOUGHT PROTECTANTS

The automotive parts store is still the most popular place for protectants purchases among more capable DIYers while non- and light DIYers go for professional installation.

MAINTAINERS

Outlet type	Non-	Light	Medium	Heavy
	DIYer			
Auto parts store	37%	28%	43%	35%
Discount store	*	21	31	46
Car wash	41	2	4	*
Specialty installer	8	5	14	*
Car dealership	*	17	*	12

WHO INSTALLS PROTECTANTS

Dedicated DIYers are far more likely to install their own protectants than other DIYers.

MAINTAINERS

Installer	Non-	Light	Medium	Heavy
	DIYer			
DIYer	37%	76%	92%	88%
Car wash	26	2	3	*
Specialty installer	16	5	6	*
Car dealership	*	17	*	12
Gas station	7	3	*	*

WHAT TYPE OF VEHICLE THEY BOUGHT PROTECTANTS FOR

Three quarters of all vehicle maintainers bought protectants for their cars. But,Non-DIYers bought more protectants for cars than did dedicated DIYers by a large margin.

MAINTAINERS

Vehicle	Non-	Light	Medium	Heavy
	DIYer			
Cars	84%	83%	57%	60%
Light truck	*	4	9	7
Van	*	6	9	*
Utility vehicle	*	*	3	12

WHY DIYERS INSTALL THEIR OWN PROTECTANTS

Most DIYers install their own protectants because it's something that's easy to do and they save money doing it.

MAINTAINERS

Reason	Non-	Light	Medium	Heavy
	DIYer			
To save money	*	33%	28%	55%
Simple to do	*	35	24	13
Can do it	*	20	29	11
Enjoy it	*	11	22	13
Convenience	*	8	4	6

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN PROTECTANTS

Most of those other than dedicated DIYers who didn't install their own protectants say they didn't have time to do the job.

MAINTAINERS

Reason	Non-	Light	Medium	Heavy
	DIYer			
Don't know how	28%	19%	15%	*
Car already in for service	*	4	39	50%
Too busy	30	25	30	*
Don't like doing it	18	5	*	*
Car being inspected	*	*	*	56

* This response not given by anyone in this group.

CONSUMER
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STUDY

Shocks & STRUTS

Shock absorbers and MacPherson struts were purchased by 16% of all vehicle maintainers during the past year. At 21% to 9%, twice the percentage of male maintainers bought shocks or struts than female maintainers.

The auto parts store is the purchase place of choice for the largest single group of shock and strut buyers at 29%. However, 14% went to a specialty installer; 12% went to an independent garage; 13% went to a department store such as Sears; 14% went to a car dealer; and 7% went to a gas station. So, there's no single outstanding source of shock and strut purchases.

The rise of use of the strut, which is more expensive and difficult to install than a shock, has cut into the DIYability of shock/front end repairs. Even so, a quarter (26%) of all those who bought shocks and struts either installed them themselves or had a friend or relative do the job. Otherwise, 18% went to an independent garage, 13% went to a specialty installer; 13% went to a car dealer; 8% went to a gas station; and 8% went to a department store with service facilities—numbers very similar to the places from which stocks and struts were acquired.

As mentioned, struts are more complicated to install than shocks, and, indeed, 58% of those who didn't install these products said that they didn't because of a lack of job knowhow. Almost a quarter (23%) said they were too busy, while 19% said they lacked the proper tools. Replacing a MacPherson strut requires a spring compressor which is not commonly found in home tool collections.

With such a small percentage of shocks and struts DIY installed, one might wonder how important brand names were to the consumers. Apparently they were to 51% of the maintainers who said they asked for specific brands. And, while 6% of those who asked for a brand said they asked for "MacPherson" brand struts, most named brands that actually exist.

Among the minority who didn't ask for a specific brand, the largest group (42%) obviously had professional installation and took whatever the technician installed. Another 30% said they didn't know the difference between brands. Only 7% said they believed that there was no difference between brands.

WHERE MAINTAINERS BOUGHT SHOCKS AND STRUTS

The automotive parts store is still the most popular place for shocks and struts purchases among more capable DIYers while non- and light DIYers go for professional installation.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Outlet type	D	I	Y	e r
Auto parts store	*%	9%	34%	62%
Car dealership	36	6	17	12
Specialty installer	46	15	15	*
Independent garage	18	21	11	*
Dept. store	*	23	8	11

HOW MANY MAINTAINERS SPECIFY SHOCKS AND STRUTS BY BRAND NAME

DIYers are more brand conscious.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
DIYer				
Do specify	*	41%	54%	84%
Don't specify	100%	59	46	16

WHO INSTALLS SHOCKS AND STRUTS

Dedicated DIYers are far more likely to install their own shocks and struts than other DIYers.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Installer	D	I	Y	e r
DIYer	*	6%	4%	85%
Specialty installer	36	14	15	*
Car dealership	36	6	22	4
Independent garage	18	21	32	*
Dept. store	*	14	8	4

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Technician installed	36%	46%	56%	*
Don't know brands	64	36	*	*
No difference	*	*	10	53

* This response not given by anyone in this group.

WHAT TYPE OF VEHICLE FOR WHICH THEY BOUGHT SHOCKS AND STRUTS

Three quarters of all vehicle maintainers bought shocks and struts for their cars. But, non-DIYers bought more shocks and struts for cars than did dedicated by a large margin.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Vehicle	D	I	Y	e r
Cars	100%	74%	80%	64%
Light truck	*	11	16	28
Van	*	12	*	8
Utility vehicle	*	3	4	*

* This response not given by anyone in this group.

WHY DIYERS INSTALL THEIR OWN SHOCKS AND STRUTS

DIYers install their own shocks and struts for a variety of reasons.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
To save money	*	*	*	45%
Needed the job done	*	100%	*	17
Can do it	*	*	100%	4
Simple to do	*	*	*	12
Enjoy it	*	*	*	9

* This response not given by anyone in this group.

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN SHOCKS AND STRUTS

Most of those other than dedicated DIYers who didn't install their own shocks and struts say they didn't know how to do the job.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	D	I	Y	e r
Don't know how	82%	62%	53%	*
Too busy	10	26	17	61%
Don't have tools	*	15	34	20
Don't like doing it	19	3	9	*
Too old	*	4	*	20

* This response not given by anyone in this group.

CONSUMER
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STUDY

Electronic ACCESSORIES

In a recession such as the country has been in for over a year now consumers stop buying big ticket items. Electronic accessories such as car sound or security systems often are considered big ticket items. Even so, 11% of all vehicle maintainers purchased some sort of electronic accessory during the past year.

Unlike most other aftermarket product categories, consumers tend to go to other than auto parts stores for most electronic accessories purchases. Only 14% of all buyers of these products got them at auto parts stores.

In all, 16% of all electronic accessory buyers acquired what they bought from car dealers. Another 11% bought electronic accessories from specialty installers such as audio specialists. And, independent garages were the outlet of choice for 11% of electronic accessories consumers.

Electronic accessories are often relatively demanding to install, especially for someone whose DIY skills are nominal. Therefore, it's no surprise that the majority of electronic accessories are professionally installed. Indeed, just over a third (34%) of non-professionals—the respondent, a friend, or relative—installed the electronic accessories they purchased.

Car dealers did the job for another 16%; specialty installers for 21%; and an independent garage for 14%. Some 5% said simply "a mechanic" put their electronic accessory in for them.

Electronic accessories are usually well advertised in consumer publications, radio, and television. They are high profile items. Therefore, it's not surprising that over half (54%) of purchasers asked for a specific brand of electronic accessory when they went shopping. Interestingly, over three quarters (78%) of buyers aged between 45 and 54-years-old requested a specific brand, while only a quarter of all those over 55-years-old did the same. Does advertising reach fall off with older consumers?

It's also a telling tribute to consumer advertising that only 20% of those who didn't go in to buy with a brand in mind said they didn't because they had "no knowledge of product brands."

WHERE MAINTAINERS BOUGHT ELECTRONIC ACCESSORIES

The specialty installer is the most popular place for electronic accessories purchases among most DIYers while dedicated DIYers shop at auto parts stores for these products.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Outlet type	DIYer			
Specialty installer	24%	12%	5%	7%
Car dealership	23	15	20	9
Independent garage	14	18	5	7
Auto parts store	*	4	25	28
Discount store	14	7	6	*

HOW MANY MAINTAINERS SPECIFY ELECTRONIC ACCESSORIES BY BRAND NAME

DIYers are more brand conscious.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
DIYer				
Do specify	38%	51%	52%	72%
Don't specify	62	49	48	28

WHO INSTALLS ELECTRONIC ACCESSORIES

Dedicated DIYers are far more likely to install their own electronic accessories than other DIYers.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Installer	DIYer			
DIYer	*	18%	45%	71%
Car dealership	35%	19	15	*
Specialty installer	24	27	20	7
Independent garage	14	22	9	7
Technician	*	9	6	*

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just don't know the difference between brands.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	DIYer			
Don't know brands	44%	17%	11%	29%
Technician installed	*	24	11	24
No difference	*	*	30	24
Cheapest available	*	9	*	*

WHAT TYPE OF VEHICLE FOR WHICH THEY BOUGHT ELECTRONIC ACCESSORIES

Three quarters of all vehicle maintainers bought electronic accessories for their cars. But, non-DIYers bought more electronic accessories for cars than did dedicated by a small margain.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Vehicle	DIYer			
Cars	87%	78%	75%	71%
Light truck	*	12	11	14
Van	*	4	*	7
Utility vehicle	14	7	5	*

WHY DIYERS INSTALL ELECTRONIC ACCESSORIES

Most DIYers install their own electronic accessories because they can.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	DIYer			
Can do it	*	56%	59%	*
To save money	*	*	39	36%
Needed the job done	*	50	*	10
Convenient	*	50	*	*
Enjoyed it	*	*	*	42

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN ELECTRONIC ACCESSORIES

Most of those other than dedicated DIYers who didn't install their own electronic accessories say they didn't know how to do the job.

	MAINTAINERS			
	Non-	Light	Medium	Heavy
Reason	DIYer			
Don't know how	87%	71%	61%	63%
Installed free	*	4	14	20
Too busy	26	16	13	*
Want it done right	*	*	6	37
No tools	*	12	*	*

* This response not given by anyone in this group.

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Tire CARE

Tire cleaning products are a relatively new product in the aftermarket mix, yet already they have achieved a significant niche. Overall, 17% of vehicle maintainers bought some tire cleaning products over the previous year.

The auto parts store is the most popular purchasing place for tire cleaners. Some 41% of all purchasers bought these products at an auto parts store. Only 15% bought them at discount stores, the second most popular outlet.

Interestingly, the product category is almost unique among aftermarket products in that roughly the same percentage of women as men buyers went to auto parts store for their purchase. Generally, men are more apt to buy at auto parts stores than women, so this is apparently a good product to use to get women purchasers into auto parts stores.

Over 20% more maintainers with annual household income levels over $40,000 purchased tire cleaning products at auto parts stores than those with annual household income levels of under $20,000. In other words, these products bring not only women but better heeled maintainers into auto parts stores.

Just over half demanded a specific tire cleaning product brand; men and younger maintainers were more apt to specify a brand than women and older maintainers.

While almost three quarters (73%) of men used the tire cleaning product they bought, just over half (51%) of the women did the same. However, another 15% of women buyers had another household member use the product, compared to only 1% of men purchasers. This is an easy-to-use product and, indeed, in all demographic areas, over half the product buyers were also the product users. After women, the smallest group of users was that whose household incomes were under $20,000 (56%), while the largest, besides DIYers, was those with incomes of between $20,000 and $30,000 (78%).

Among those who didn't apply their own tire cleaners, 11% of all purchasers had their tires cleaned when they had their cars washed or detailed. This was the largest single place where non-DIYers had these products used. A third of all these non-installers said they didn't put their own cleaner on because they were too busy or didn't have the time for the job.

WHO INSTALLS TIRE CARE PRODUCTS

Dedicated DIYers are far more likely to install their own tire care products than other DIYers.

MAINTAINERS

	Non-	Light	Medium	Heavy
Installer	**DIYer**			
DIYer	11%	74%	85%	93%
Car wash	40	13	7	*
Independent garage	11	8	5	2
Gas station	10	4	*	3
Specialty installer	6	1	3	2

WHY DIYERS INSTALL THEIR OWN TIRE CARE PRODUCTS

Most DIYers install their own tire care products to save money.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**DIYer**			
To save money	*	16%	19%	44%
Can do it	*	29	22	24
Simple to do	*	21	28	26
Enjoy it	*	17	19	21
Make sure it's done right	*	7	10	12

HOW MANY MAINTAINERS SPECIFY TIRE CARE PRODUCTS BY BRAND NAME

DIYers are more brand conscious.

MAINTAINERS

	Non-	Light	Medium	Heavy
DIYer				
Do specify	16%	50%	58%	60%
Don't specify	84	50	42	40

WHERE MAINTAINERS BOUGHT TIRE CARE PRODUCTS

The automotive parts store is still the most popular place for tire care products purchases among more capable DIYers while non- and light DIYers go for professional installation.

MAINTAINERS

	Non-	Light	Medium	Heavy
Outlet type	**DIYer**			
Auto parts store	18%	37%	52%	43%
Car wash	34	16	8	5
Discount store	*	17	15	17
Independent garage	22	3	7	*
Gas station	10	2	3	8

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question; non-DIYers don't know the difference between brands.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**DIYer**			
Don't know brands	28%	23%	14%	6%
Technician installed	33	18	7	12
No difference	13	13	20	44
No reason	*	2	*	*

WHAT TYPE OF VEHICLE FOR WHICH THEY BOUGHT TIRE CARE PRODUCTS FOR

Three quarters of all vehicle maintainers bought tire care products for their cars. But, non-DIYers bought more tire care products for cars than did dedicated by a slight margain.

MAINTAINERS

	Non-	Light	Medium	Heavy
Vehicle	**DIYer**			
Cars	73%	75%	71%	63%
Light truck	*	6	8	15
Van	*	3	5	3
Utility vehicle	5	2	2	3

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN TIRE CARE PRODUCTS

Most of those other than dedicated DIYers who didn't install their own tire care products say they didn't have the time.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**DIYer**			
Too busy	28%	36%	36%	19%
Don't know how	23	10	6	*
Don't like doing it	22	13	6	24
Want it done right	5	6	6	*
Free service	11	*	14	*

* This response not given by anyone in this group.

CONSUMER
AUTOMOTIVE
REPAIR
STUDY

Lighting

A quarter of all vehicle maintainers bought some sort of lighting product such as headlights or off-road lights during the past year.

There is an interesting curve of lighting product buyers by age group that starts low, climbs, and then drops off at the end of the curve. Among maintainers 25-years-old or younger, 22% bought lights; among those 25 to 34, 26% bought lights; among those 35 to 44, 29% bought lights; among those 45 to 54, 42% bought lights; and then the figure drops off to 14% among those 55-years-old or more.

Almost half (48%) of lighting product buyers bought the products at auto parts stores. Another 11% returned to a car dealer, while 11% also went to a discount store. Independent garages were patronized by 6% of lighting product buyers.

However, there's a different story in who installed lighting products. Fully 11% of lighting product buyers had them put on at a gas station, while 9% went to a car dealer and 6% went to an independent garage. DIYers made up 65% of lighting product installers.

Of this last group, almost half (47%) installed their own lighting products to save money. However, almost a third (30%) did it because they found the job to be simple, while another quarter (24%) said they did it just because they could. Only 4% of lighting product DIY installers said they did it mostly because they enjoyed doing the job.

Lighting product manufacturers have spent a great deal of money getting their names known by the public. However, only 30% of buyers said they asked for some specific brand of lighting product when they shopped. And, of those, fully 18% said the brand they wanted was "Halogen" lights—perhaps a well known name among lighting product users, but not an actual brand name.

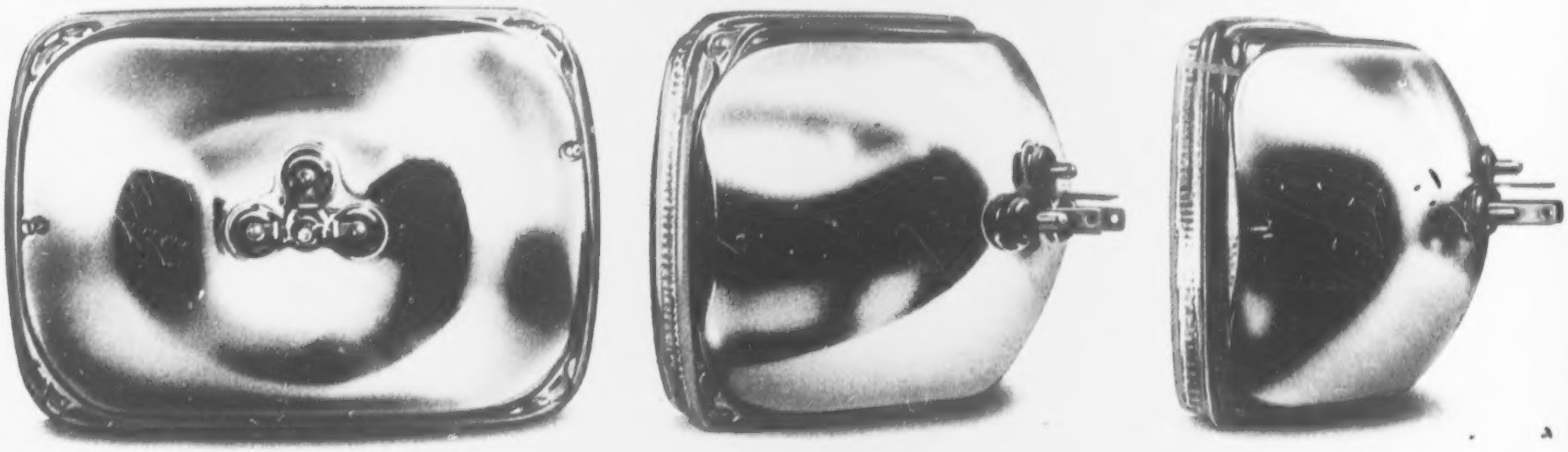
When asked why they didn't specify a brand, almost half of those who didn't (47%) said that they either didn't have any knowledge of brand names or that there was no difference between brands. Another 23% said they took whatever lighting product the professional installer put on their vehicle. Obviously, more education is needed at all levels to educate consumers as to brands and their differences.

HOW MANY MAINTAINERS SPECIFY BRAND NAME LIGHTING PRODUCTS

DIYers are more brand conscious, but almost two-thirds of even the most dedicated DIYers don't worry about brand names.

	MAINTAINERS			
DIYer	**Non-**	**Light**	**Medium**	**Heavy**
Do specify	7%	31%	36%	34%
Don't specify	93	69	64	66

It takes more than a name



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*Independent statistically representative study, 7/88

C-918A

WHERE MAINTAINERS BOUGHT LIGHTING PRODUCTS

The automotive parts store is still the most popular place for lighting products purchases among more capable DIYers while non- and light DIYers go for professional installation.

MAINTAINERS

Outlet type	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Auto parts store	23%	43%	57%	55%
Gas station	33	6	2	11
Car dealership	18	15	10	3
Independent garage	6	12	3	3
Discount store	7	3	13	22

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Technician installed	45%	25%	10%	22%
Don't know brands	35	22	15	19
No difference	6	21	34	38
Cheapest there	*	*	3	*

WHO INSTALLS LIGHTING PRODUCTS

Dedicated DIYers are far more likely to install their own lighting products than other DIYers.

MAINTAINERS

Installer	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
DIYer	14%	50%	87%	83%
Gas station	38	10	2	11
Car dealership	12	11	9	3
Auto store	11	6	7	*
Specialty installer	13	2	*	*

WHY DIYERS INSTALL THEIR OWN LIGHTING PRODUCTS

Most DIYers install their own lighting products to save money.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
To save money	*	22%	46%	55%
Can do it	*	38	18	28
Simple to do	*	39	42	11
To save time	*	13	5	14
Needed the job done	*	*	18	26

* This response not given by anyone in this group.

WHAT TYPE OF VEHICLE FOR WHICH THEY BOUGHT LIGHTING PRODUCTS

Vehicle maintainers who bought three quarters of the lighting products sold, bought them for cars. But, non-DIYers bought more lighting products for cars than did dedicated or heavy DIYers by a large margain.

MAINTAINERS

Vehicle	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Cars	87%	81%	69%	59%
Light truck	*	10	21	15
Van	7	2	6	3
Utility vehicle	*	4	2	12

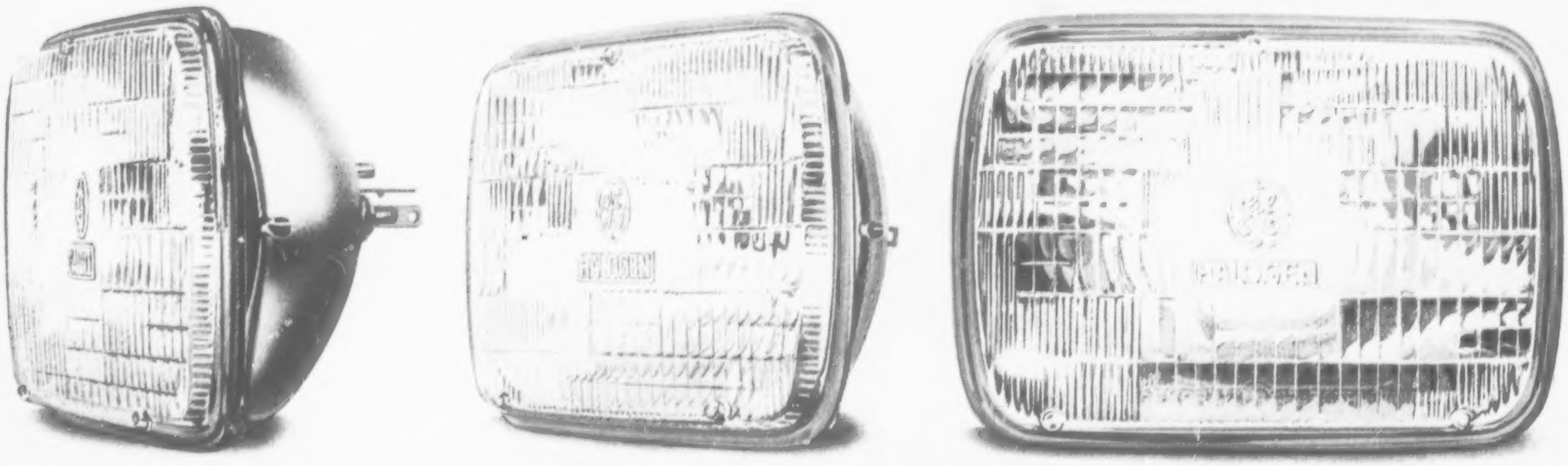
WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN LIGHTING PRODUCTS

Most of those other than dedicated DIYers who didn't install their own lighting products say they didn't know how to do the job.

MAINTAINERS

Reason	Non-DIYer	Light DIYer	Medium DIYer	Heavy DIYer
Don't know how	57%	62%	62%	34%
Too busy	13	23	9	18
Don't have tools	12	11	19	*
Car already being serviced	6	2	12	*
Don't like doing it	12	*	*	18

to sell halogen headlights.



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CONSUMER
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STUDY

Batteries

Mild winters have cut into battery sales over the past several years. Even so, a third of all vehicle maintainers bought a battery during the past year, making them the batteries sixth most purchased product category in the study.

Batteries are that rare product category where traditional department stores—one major department store in particular—have an edge, with 29% of all battery buyers shopping for one there. Indeed, the private label brand sold by this department store chain leads among brands mentioned, at 48%, among those who specified a brand.

Auto parts stores at 27% are a very close second place among outlets from which maintainers purchased batteries. In terms of percentages, only slightly more men than women purchase batteries at both auto parts stores and department stores. As seen by percentages, women prefer gas stations at almost two to one over men who buy batteries there.

Since most places that sell batteries offer free installation service, we've always wondered why anyone would install them themselves. However, just under half (43%) of those who bought batteries either put them in themselves or had a friend or relative do the job. The reasons were pretty evenly split up between saving money (37%), the fact that it's a simple job to do (30%), and the respondent saying that it was just something he or she could do (24%).

Since, however, most purchasers have their batteries installed professionally, selling the outlet buyer or technician becomes almost as important as selling the end user. Indeed, fully a quarter of all those who did not specify a brand simply took whatever brand the professional technician installed. Another 20% of non-brand-specifiers said they were unfamiliar with the different brands, which is why they didn't specify any particular brand. However, less than 1% said they had, at best, a limited choice and so they took what was in stock.

Interestingly, of these same purchasers of professionally installed batteries, only 8% said they had it done by the outlet since it was a free service. Many more (39%) said they didn't know how to do the job, while 11% said they were too busy to do it.

WHO INSTALLS BATTERIES

Dedicated DIYers are far more likely to install their own batteries than other DIYers, even though professional installation is often free.

MAINTAINERS

	Non-	Light	Medium	Heavy
Installer	**D**	**I**	**Y**	**e r**
DIYer	10%*	34%	54%	85%
Dept. store	24	20	21	8
Auto parts store	15	8	10	2
Gas station	22	9	4	3
Independent garage	13	13	6	3

* A friend or relative

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs without question.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**D**	**I**	**Y**	**e r**
Technician installed	31%	33%	16%	7%
No difference	4	13	17	34
Don't know brands	47	16	10	7
No reason	3	*	*	*

WHERE MAINTAINERS BOUGHT BATTERIES

The department store is the most popular place for batteries purchases among most vehicle maintainers, although dedicated DIYers prefer auto parts stores.

MAINTAINERS

	Non-	Light	Medium	Heavy
Outlet type	**D**	**I**	**Y**	**e r**
Dept. store	25%	29%	34%	27%
Auto parts store	15	21	34	43
Gas station	22	12	3	5
Discount store	5	9	10	14
Specialty installer	5	8	8	2

HOW MANY MAINTAINERS SPECIFY BATTERIES BY BRAND NAME

Despite years of consumer advertising, a surprisingly large number of all types of maintainers don't specify brands.

MAINTAINERS

	Non-	Light	Medium	Heavy
D I Y e r				
Do specify	27%	38%	50%	55%
Don't specify	73	62	50	45

WHAT TYPE OF VEHICLE THEY BOUGHT BATTERIES FOR

Three quarters of all vehicle maintainers bought batteries for their cars. But, Non-DIYers bought more batteries for cars than did dedicated by a large margain.

MAINTAINERS

	Non-	Light	Medium	Heavy
Vehicle	**D**	**I**	**Y**	**e r**
Cars	93%	84%	65%	63%
Light truck	4	8	17	15
Van	2	3	6	9
Utility vehicle	2	2	3	3

WHY DIYERS INSTALL THEIR OWN BATTERIES

Most DIYers install their own batteries because it's a simple job.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**D**	**I**	**Y**	**e r**
Simple to do	*	44%	30%	22%
To save money	*	30	36	43%
Can do it	*	26	28	20
Needed the job done	*	16	12	16
Enjoy it	*	3	2	9

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN BATTERIES

Most of those other than dedicated DIYers who didn't install their own batteries say they didn't know how to do the job.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**D**	**I**	**Y**	**e r**
Don't know how	69%	40%	14%	9%
Too busy	8	12	13	20
Car was in for service	7	6	9	32
Want it done right	2	6	5	10
Don't like doing it	11	10	10	*

* This response not given by anyone in this group.

CONSUMER
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REPAIR
STUDY

Filters

(Air, Fuel, Oil)

You change your oil, you change a filter. And, if you change your oil every 3,000 miles or three months as you should—and quite a large percentage of motorists do just that—you'll change your filter, too. Hence, there's bound to be a large filter market in oil filters alone.

Therefore, it's not surprising that 71% of all vehicle maintainers bought at least one filter during the course of the previous year. This makes it the second most purchased item overall, just behind motor oil which is linked to filters in most minds.

Quick lube operations have taken a major bite into the oil and filter market and, indeed, 19% of all those who said they bought filters said they bought them at a specialty installer such as a quick lube. A percentage more probably bought filters at such a location when they got their oil changed but they didn't think of themselves as buying filters and hence didn't mention it to our researchers.

However, 29% of all filter buyers went to an auto parts store for the filter they bought, far ahead of the 18% who went back to a car dealer and further still from the 8% who bought at a discount store. Another 8% bought a filter at an independent garage.

Just over a third (36%) of all filter buyers had the filter installed by a DIYer, which is a low figure among automotive products. The most popular single professional installer was the specialty installer—the quick lube—from which 18% of filter buyers had filters installed. Another 17% went to a car dealer, while 10% went to an independent garage. A total of 5% also said they had a filter installed by an auto parts store with service bays.

Just a tad more than a quarter (27%) of all filter buyers asked for a specific brand; few quick lubes offer such a choice. Indeed, when asked why they didn't ask for a brand by name, 39% said that they took whatever the professional installer used, while 1% said they had no choice available.

Among those who chose to install their own filters, almost half (49%) said they did so to save money. The ease of the job appealed to over a quarter (28%) while 23% said they did it because they could. Another 6% said the job needed doing, while 5% said it was convenient.

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Most maintainers who don't specify brands just accept whatever the professional technician installs; non-DIYers don't know the difference between brands.

	MAINTAINERS			
Reason	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
Technician installed	44%	43%	31%	17%
Don't know brands	30	18	17	*
No difference	8	11	20	30
No reason	1	2	*	*

WHO INSTALLS FILTERS

Dedicated DIYers are far more likely to install their own filters than other DIYers.

	MAINTAINERS			
Installer	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
DIYer	7%	22%	55%	85%
Gas station	31	13	7	3
Specialty installer	21	19	19	8
Car dealership	21	22	15	*
Independent garage	16	13	4	3

WHERE MAINTAINERS BOUGHT FILTERS

The automotive parts store is still the most popular place for filters purchases among more capable DIYers while non- and light DIYers go for professional installation.

	MAINTAINERS			
Outlet type	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
Auto parts store	6%	21%	45%	58%
Specialty installer	19	24	15	9
Car dealership	22	22	16	4
Gas station	27	11	6	5
Independent garage	15	10	3	2

HOW MANY MAINTAINERS SPECIFY FILTERS BY BRAND NAME

DIYers are more brand conscious.

	MAINTAINERS			
	Non- D	**Light I**	**Medium Y**	**Heavy e r**
Do specify	13%	19%	32%	62%
Don't specify	87	81	68	38

WHAT TYPE OF VEHICLE THEY BOUGHT FILTERS FOR

Three quarters of all vehicle maintainers bought filters for their cars. But, non-DIYers bought more filters for cars than did dedicated by a large margin.

	MAINTAINERS			
Vehicle	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
Cars	85%	82%	67%	59%
Light truck	8	4	13	9
Van	1	5	5	5
Utility vehicle	2	2	1	3

WHY DIYERS INSTALL THEIR OWN FILTERS

Most DIYers install their own filters to save money.

	MAINTAINERS			
Reason	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
To save money	*	41%	48%	53%
Simple to do	*	46	30	18
Can do it	*	18	28	21
Needed the job done	*	8	4	7
Enjoy it	*	4	2	6

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN FILTERS

Most of those other than dedicated DIYers who didn't install their own filters say they didn't know how to do the job.

	MAINTAINERS			
Reason	**Non- D**	**Light I**	**Medium Y**	**Heavy e r**
Don't know how	49%	36%	24%	*
Too busy	17	19	19	32%
Don't like doing it	15	14	9	11
Want it done right	5	4	2	11
Inconvenient	4	4	6	9

* This response not given by anyone in this group.

Repair MANUALS

Automotive books or repair manuals are the unique product among all the aftermarket products that we study annually. After all, they can't be "installed" either by a professional or a DIYer, as can all the other products in the study. Moreover, they tend to be bought only once for each new or used car the maintainer acquires. And, they are found at a number of places that are not typical aftermarket outlets.

Nonetheless, they are an important aftermarket product line since 11% of all vehicle maintainers purchased an automotive book or manual during the previous year.

Significant groups that buy books, in larger percentages than the average, are men, maintainers 34-years-old and younger, maintainers with household incomes of $30,000 or less, medium and dedicated DIYers, and maintainers with three or more vehicles. On the other hand, women, older maintainers, light and non-DIYers, and those with only one vehicle buy repair manuals in significantly smaller numbers than the average.

Over half of automotive repair manual buyers bought them at auto parts stores. Almost another quarter (24%) went back to the car dealer, probably buying an OE manual. Men and women equally go to auto parts stores in which to buy repair manuals, while women also turn to car dealers.

Yet, repair manuals are also sold in significant numbers through non-traditional sources. In all, 4% of buyers got them through mail order, 1% from a military base exchange, 3% from a book store, 2% from a warehouse, and 2% from a flea market or swap meet.

Repair manual buyers tend to be brand conscious. In all, 63% of the buyers asked for a specific brand of manual, and one brand accounted for just over a third of sales to all buyers. Another 17% wanted the original car maker's repair manual. A total of 3% said they asked for a specific brand but didn't know what that brand it was. Go figure.

Men tend to ask for a specific brand more than women buying repair manuals. Maintainers aged between 35-years-old and 44-years-old also are more apt to request specific repair manual brands than the average, as are medium and dedicated DIYers.

Among those who didn't ask for a specific brand, 12% said they didn't know about the brands available, and 10% said there was no difference in brands. Another 6% bought whatever was on sale or the cheapest available, the same percentage as those who said they had no, or limited, choices of brands available.

WHERE MAINTAINERS BOUGHT BOOKS AND MANUALS

The automotive parts store is still the most popular place for books and manuals purchases.

MAINTAINERS

	Non-	Light	Medium	Heavy
Outlet type	**D**	**I**	**Y**	**e r**
Auto parts store	47%	44%	75%	41%
Car dealership	59	39	13	20
Discount store	*	*	5	8
Dept. store	*	*	4	7
Book store	*	6	*	4

HOW MANY MAINTAINERS SPECIFY BOOKS BY BRAND NAME

DIYers are more brand conscious.

MAINTAINERS

	Non-	Light	Medium	Heavy
DIYer				
Do specify	47%	45%	74%	69%
Don't specify	53	55	26	31

WHY SOME MAINTAINERS DON'T SPECIFY BRANDS

Maintainers who aren't DIYers don't believe there's a difference between automotive manual brands.

MAINTAINERS

	Non-	Light	Medium	Heavy
Reason	**D**	**I**	**Y**	**e r**
No difference	100%	14	*	*
Don't know brands	*	*	31	15
No choice	*	*	24	*
On sale	*	14	*	*

WHAT BRAND OF BOOKS MAINTAINERS BOUGHT

Chilton automotive manuals are the most named brand of automotive manual or book maintainers mentioned.

MAINTAINERS

	Non-	Light	Medium	Heavy
Outlet type	**D**	**I**	**Y**	**e r**
Chilton	*	23%	35%	45%
OE Manufacturer's	*	18	26	8
All others	47%	5	9	12

WHAT TYPE OF VEHICLE THEY BOUGHT BOOKS FOR

Three quarters of all vehicle maintainers bought books and manuals for their cars.

MAINTAINERS

	Non-	Light	Medium	Heavy
Vehicle	**D**	**I**	**Y**	**e r**
Cars	100%	78%	64%	76%
Light truck	*	12	9	4
Van	*	*	14	7
Utility vehicle	*	*	*	4

* This response not given by anyone in this group.

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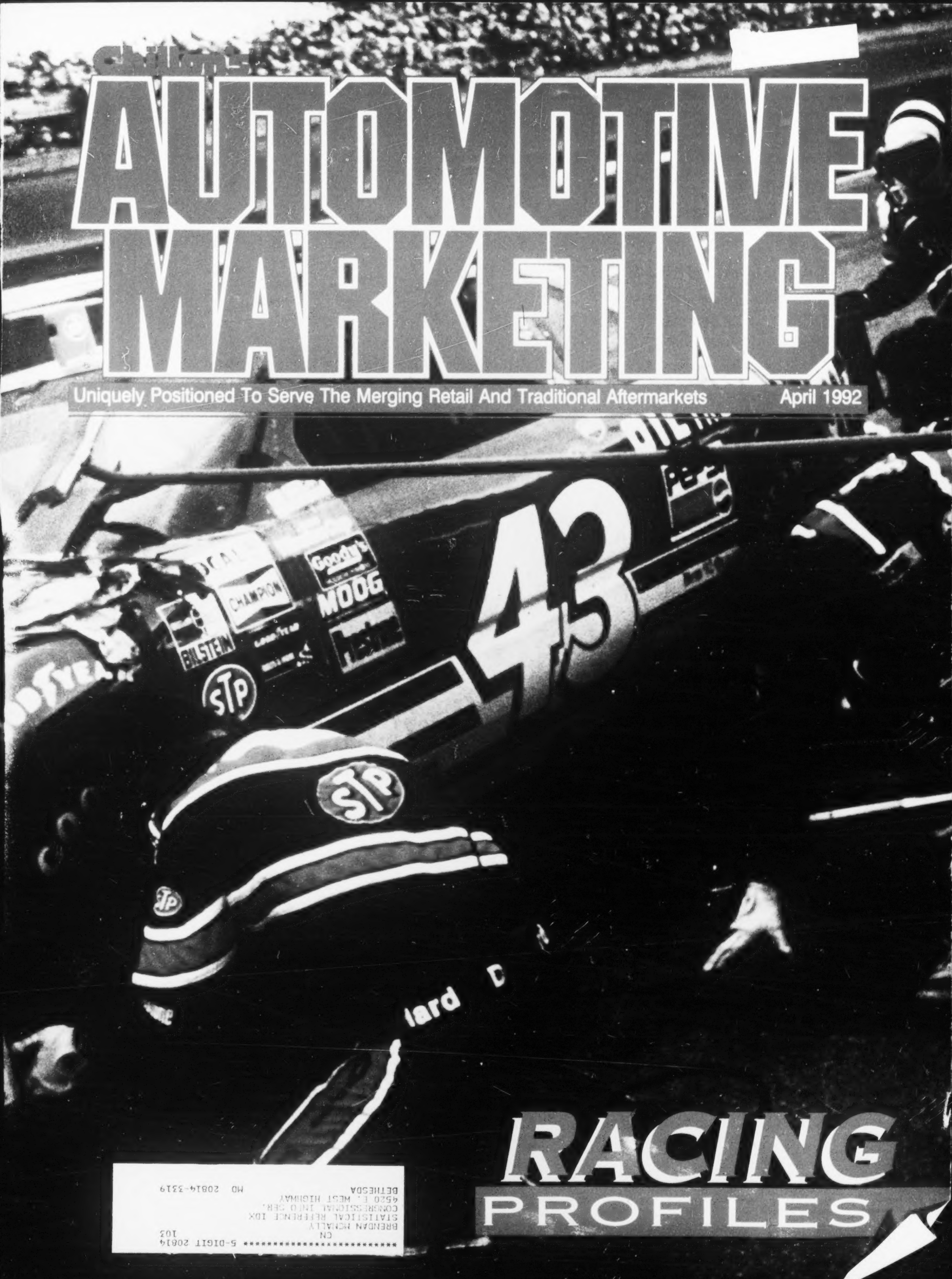
April 1992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Chilton's
AUTOMOTIVE MARKETING

APRIL ISSUE/VOLUME 21, NUMBER 4

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The Association of Automotive Aftermarket Distributors (AAAD) has 34 warehouse members, which in turn operate 87 distribution center locations.

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How major players get appearance chemical market shares.

Racing: 1992 29

Racing sells products to fans; here's what major manufacturers are doing to use racing.

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
Donald W. Chestnut; Sr. V.P. Operations/Admin.
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JESSE H. NEAL
AWARD-WINNING
PUBLICATION
FIVE OUT OF
EIGHT YEARS

BPA

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MARKET LINE

COMMODITY

Appearance Chemical Strategy Made Simple: Gain Category Dominance Or Stake Out A Niche

When you talk about appearance chemicals you're speaking about a market with a myriad of products that sells roughly $640 million a year, according to Lindsey-Kaufman, Tenafly, NJ. The largest single category of appearance chemicals is protectants which amounts to some $255 million, followed by wax and polish which totals about $190 million. The rest of the category which includes a long list of other kinds of automotive appearance products such as bug and tar removers, general purpose cleaners, specialty cleaners for use on upholstery and car interior surfaces, car washes, and especially a new category of tire cleaners, all of which comes to some $195 million.

For a long time a discussion of the market for protectants meant a single phone call to Armor All Products, Aliso Viejo, CA, which was virtually the category all by itself. "We're celebrating 20 years of selling protectant," said Rick Manoogian, marketing manager for Armor All's protectant division. "And we continue to dominate the category with well over 80% of the market. Ninety million customers use it annually and we see a 98% satisfaction ratio. We still own the patent and we're still expanding internationally."

Although Manoogian conceded that both Turtle Wax (Chicago) and First Brands (Danbury, CT) have made serious runs at Armor All, neither have surpassed it. "We're still the category driver. We've had many competitors. In fact, we have a cabinet on display in our office with over 150 bottles from competitors."

Naturally we asked, how do you stay number one? "It starts with a product that works. We have tremendous word of mouth. And, we've spent some $75 million in advertising over the past ten years. There's no substitute for strong advertising: We've supported the product year in and year out, and we get a lot of samples out year after year."

At Turtle Wax, Chuck Tornabene said its Clear Guard protectant does well. "As we get people to try it we get a good repeat rate." However, "we're not supporting that brand, we have other priorities."

But at First Brands, the talk is more upbeat. "We're working on STP Son Of A Gun," said Mark Haglund, vice president/director of marketing. "Anytime anyone owns all the business there's always room for a strong number two. The market's still over $200 million with some pretty solid growth, so there's room. Our figures show we have 27% of the market measured in ounces. Armor All is still far and away number one. Turtle Wax made a run but they're not a factor anymore."

However, going after Armor All is tough, Haglund conceded. The right strategy is paramount: "Armor All is a good product. Consumers like it. Our tack is not to say we're better but instead offer a value alternative with the same performance. The performance of the two products is virtually identical. We make no claim to be better, but equal, and offer a lesser price. Son Of A Gun is about 20% under the everyday price and always better in the ads. We're going to advertise like number one and price under them."

Between them, Armor All and First Brands will spend some $4-5 million advertising protectants this year. "It's an expensive game," Haglund said, but, he added, it has its virtues. "Spending that much money keeps other people out of the market."

Not quite. 303 Products Inc., Redding, CA, while admittedly commanding a small share of market, nevertheless is expanding about 30-40% a year, according to CEO/president Dennis A. Praegitzer. The company manufactures a high-end protectant, wiper treatment, and instant windshield washer tablets that dissolve in the washer reservoir. "We're not after Armor-All customers," said Praegitzer. "Our customer is the one who comes into the store and walks out *without* Armor All or STP. We position ourselves as having the product for the person who knows the difference."

The second major appearance chemical category is wax and polish. While the category is not nearly so dominated by one company, the field does seem to be narrowing down slightly. Four companies: Turtle Wax; Reed Union (which markets Nu Finish), Chicago; Armor All; and First Brands control some 80-85% of the market.

At Turtle Wax, Chuck Tornabene, president, consumer products, said, "We had an extremely good year in 1991. We finished close to 40% of the market according to the Nielsen numbers. And, we're starting strong exceeding last year. We introduced Finish 2001 car polish and most retailers are getting behind it with features and end caps. Best of all, it hasn't impacted our Hard Shell wax which still gets 25% of the market." Tornabene has felt for some time that some smaller brands are going to drop out of the wax market. "When you get below 10% market share you raise the question in the trade: Do we need the brand on the shelves? We're spending an all-time high this year. We continue to support our brand."

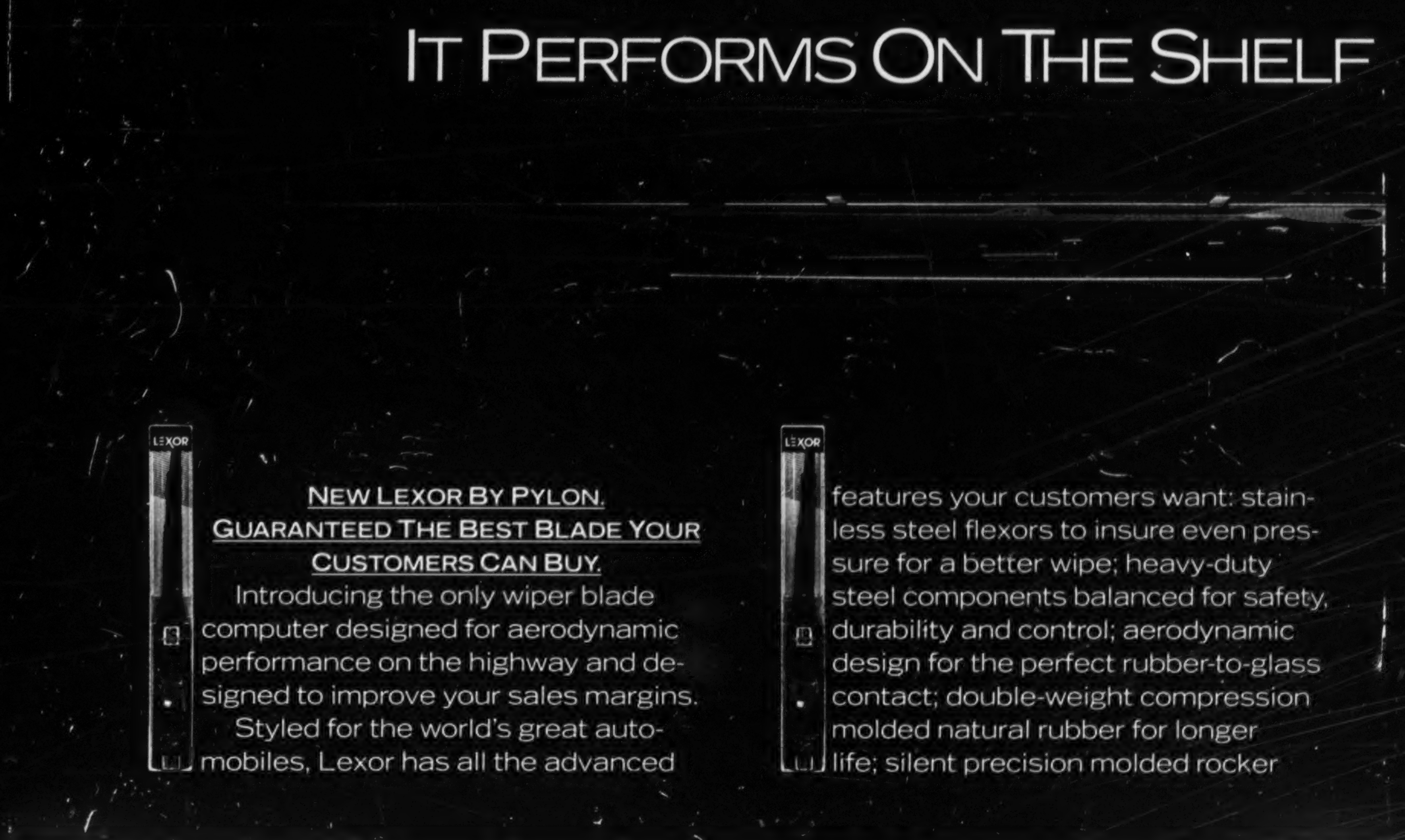
Tornabene traced some of Turtle Wax's history back to Ben Hirsch in the 1940s. Turtle Wax has been on top of the wax market for a long long time despite strong challenges from Armor All and Nu Finish in recent years. Tornabene said Turtle Wax has a simple formula for success: "We continue to support the brand with ads. We continue to update the look. This year there's a new label. Last year we had a brand new bottle. We continue to reformulate Hard Shell to be state of the art. It's easy to apply and remove. It's safe and compat-

APPEARANCE CHEMICAL MARKET

This is a $655 million market in retail sales. Vinyl protectants and cleaners are still the largest segment of the market at some $255 million. The Wax and Polish segment, now at $190 million, should increase in dollar sales because of renewed emphasis on high end $15-$20 waxes and polishes. And, the new increased competition and awareness of tire cleaners should spark the $195 million other appearance

Segment	Size (Millions)	Comment
Protectants	$255	Continued steady growth
Wax/Polish	$190	High End wax sales mean more dollars
Other chemicals	$195	Tire cleaners good for market

Source: Lindsey-Kaufman



IT PERFORMS ON THE SHELF

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ible with the car's finish. Absolutely, I see it sticking around for another ten years. I don't believe in life cycles."

Paul Jones, marketing manager for Armor All's wax division, conceded Rain Dance had declined. "It's not where it was. We took a high road and made no unsubstantiated claims. Some of the formulations available have moved on and Rain Dance has not changed with the times. It's perceived as hard to use and we've lost some of the customer base. Hopefully, we rectified the situation. We've developed Rain Dance Advanced Formula that combines durability and ease of use. It's more durable, and, even more significant to the consumer, easier to buff off. It's a line extension, not a replacement. The original Rain Dance is still available."

Since the wax and polish market is basically flat in units with roughly half of all vehicle maintainers waxing cars, a figure that has stayed static for many years now, no one seems ready to go with an extensive program in waxes this year. Instead, there's a lot of nibbling around the edges and niche marketing. Here are a few we've looked at.

At Liquid Glass, Teaneck, NJ, senior vice president Laura Heywang said their $19.95 polish "gives us a certain portion of the market. Once people use it they will not switch back to low end waxes. A lot of high end detailers use it. The price is not a deterrent. We've been around since 1983 and found our niche and we're going to stay with it."

Dan Hirning, president of Better Ideas Inc., Vista, CA, sees a wiser wax consumer going back to the basics of quality and value in a product. Hirning also feels that the impact of products advertised and marketed on TV is declining, a good sign for *AM* readers. And, awareness of car washes and clear coat friendly product are rising. "Owners with 60-72 month financing want to keep up that investment with car care maintenance," according to Hirning.

Pat Cirelli, vice president and general manager at Mothers Polish Co., Huntington Beach, CA, forecasts a good year. He sees manufacturers working more closely with retailers to avoid the overstocking that's been a problem in the past—on-time stocking, if you will. Cirelli looks forward to a soon-to-break advertising program for the Mothers Clear Image Series, a group of products for clear coat care. Today's DIYer is now looking for clear coat products.

President Larry Kerin of Meguiar's, Irvine, CA, said a growing proportion of wax users simply want the best available. "The car is a major investment and people are keeping them longer. New paints present problems with swirls and scratches. People need a wax to meet those needs and get rid of scratches and swirls." Meguiar's is introducing Medallion All Paint Wax at $19.95 aimed at the heavy user segment of the market that produces 35-40% of wax and polish sales.

Not quite as high priced but still in the $9-$10 range is Prism, First Brands' new entrant, which abandons the Simoniz brand name. "It's a spray away wax," Haglund said. "Apply, let it dry, and spray it away with the hose. We see the trends. Spare time is at a premium, people are falling off the DIY wagon. Prism holds them in the market. We plan to spend as much behind Prism as Son Of A Gun."

While many companies seek more sales through line extensions and higher priced products, Brothers Research, Burlington, NC, has prospered by limiting its line to jobbers and WDs. The 22 SKU Duragloss line, anchored by its polish, is a non-discounted line that DIYers can only buy at a jobber store. William and Jerry Bailey are chemists and self-described car nuts who developed the polish in 1975. "We've rejected orders from retailers," president William Bailey told us.

While the wax and polish category may grow slightly in dollars, it's basically a slow growth category. Much faster growth can be expected from car washes that are gradually replacing household cleansers. Armor All's Paul Jones thinks car washes will be close to $50 million this year and the potential sales are huge. "About six out of ten car washers still use dishwashing soap or something like it. A car wash specific product is astronomically better for the car's finish than dishwashing soap."

Mary McNally, public relations manager for Meguiar's, agreed, "Don't use dishwashing liquids. They're designed to remove grease. They remove the wax and polish and will strip away the protective layer on the paint. Cars are bombarded by so many detrimental things that it's vitally important to maintain a protective barrier on the paint."

A newcomer to the car wash field is Wonder

LIKE IT DOES ON THE HIGHWAY.

bushings; and quick-mount adaptors specifically designed to fit both domestic and import vehicles.

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LEXOR

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(Circle 8 on Product Information Card)

MARKET LINE

Wash from Gold Eagle, Chicago, a product that requires no water. "It's a spray-on product," said director of marketing Gerry Smith. "Rub it off with a damp sponge and it's done. It's for apartment dwellers and places with a ban on washing cars, and for people who just want a convenient job. You don't have to get out sponges and fill a bucket and unwind the hose."

Smith talked about the strategies for a small company that doesn't offer a complete line of appearance chemicals. "Our basic strategy is to introduce a new, innovative product every year. At least one, preferably two or three. We can't spend millions to establish our brand with advertising so we have to be at the forefront of technology. We can't be afraid to come out early and help establish a category. We have to be in tune with the needs of the market. Our core business is in maintenance and functional chemicals. Appearance chemicals are a new venture for us. We're not selling waxes, for instance. Wax is subjective: brand names influence opinions. We want to keep where people can see or feel the difference; we want to be performance oriented."

A prime example of a small company establishing a category is the way No Touch North America, Irvine, CA, has established tire cleaners as an important new segment of appearance chemicals. "We've only been around for a year, since February, 1991, but a lot of people think we've been around for much longer," said Jeff Sherman, executive vice president/general manager. "The category of tire care was neglected and a lot larger than people think. We estimate it at $100 million."

No Touch spent some $4 million and delivered a million samples to build brand awareness for the category. "We think after year one we're at 10% of the market. And that's coming from nothing. In tire care, as opposed to all purpose products, we're number one. I'm very satisfied and Taiho (the company's Japanese parent company) is very satisfied. It's given us the confidence to go with a bigger ad budget next year. We have competitors like Armor All, STP, Turtle Wax, Westley's all similarly positioning themselves. Three large companies with me-too products helps build our credibility and builds awareness for the No Touch type product."

Both Armor All and First Brands, along with many other chemical makers and marketers, obviously feel that tire care products have a future. "The potential may be there," First Brand's Haglund said. "but everybody is new in this business now and we'll start tracking it. In a year or so we will have a firm number." Still, both concede that No Touch did a fine job of opening the category, but feel that the brand awareness of Armor All and STP foam cleaners will win out in the end.

While the foam products have attracted the most attention, Jerry Smith, vice president of marketing at the Westley Division of Blue Coral, Cleveland, OH, said Westley's Blech Wite tire cleaner remains the number one tire care product. "It's been a mainstay in planograms for 40 years," Smith noted. "We did see a decline in 1989 because of the decline in whitewall tires but we repositioned it. It *was* developed for whitewalls but it cleans anything rubber. So we relabeled it as tire cleaner, blackwall or whitewall. We also added a 25% more product bonus and made sure retailers knew it was a cleaner. Now it's regained its momentum."

Smith believes the tire care market is about $20 million. "It's a growth category because No Touch came in and made it a category. The same thing happened in the 1970s when Armor All came out with its protectant: they focused on the product as a protectant. No Touch created the category by spending money. It's growing, but not as quickly as No Touch might think. That's why we're not going big on ads for Just For Tires (Westley's foam cleaner). We never pushed it that hard."

Still, the success of No Touch has led other smaller companies to join the market, creating sub-niches in the niche market. For example, Randy Fowler, national sales manager for X Labs, Wheeling, IL, said, "We looked at the market, the emergence of No Touch and the amount of national advertising being done, and we thought there was a need for a price alternative. The national brands are at $2.99 or so and we're at $1.99. At retail, there are price points you have to hit: a national brand, a price brand, and maybe a private label."

While X Labs goes for price, Cyclo Automotive Products, Lake Park, FL, is going for a better product, according to president Gary Ouellette. "We try to be different and better. We don't like any of the products we've seen.

We feel the tire should be throughly cleaned rather than mask the dirt. There's a certain amount of dirt hidden by a dark and shiny tire. Our foam can actually lift dirt out of the tire.

"But all the advertising is good for awareness," Ouellette said. "It's churned things up. It brings people to the shelves and creates some excitement. Then people can make their own decision."

And that's what auto stores will see as the weather warms: consumers coming to the shelves for appearance chemicals of all kinds, making their own decisions. ■

At Last A Really Big Show: APAA Joins AAIW Fold

For years, the majority of our members, exhibitors, reps and buyers alike, asked for industry unification on the trade show front," said APAA chairman Alfred Gaspar (McKay Chemical/Blue Coral). "We are most pleased to respond to our members' needs."

Following a March meeting, the Automotive Parts & Accessories Association (APAA), Bethesda, MD, voted to hold its 1992 trade show in Las Vegas November 3-6 at the same time as the other major aftermarket associations as part of the Automotive Aftermarket Industry Week (AAIW). Other associations involved in the week-long series of activities, starting November 1, are Auto International Association (AIA), Diamond Bar, CA; Automotive Service Industry Association (ASIA), Chicago; Motor and Equipment Manufacturers Association (MEMA), Englewood Cliffs, NJ; and Specialty Equipment Market Association (SEMA), Diamond Bar, CA.

"The addition of the APAA Show to AAIW completes the circle in the industry's long effort to produce a true all-industry event," said MEMA president Robert Miller. "AAIW 1992 is now an event equal to any automotive parts, equipment, chemical and accessory show staged anywhere in the world."

The APAA show will combine with the Big "I" Show co-sponsored by ASIA and MEMA at the new Sands Expo and Convention Center. The SEMA/AI Show will be held as usual in the Las Vegas Convention Center. One badge will admit attendees to both shows. "The distinction of the United States as the indisputable world leader in automotive technology, innovative developments and sheer scope will be featured in Las Vegas," said SEMA president Chuck Blum.

The AAIW Show Committee estimates that 30,000 buyers and 2,500 exhibitors will participate. With the addition of APAA, total attendance could reach 65,000. The Committee estimates that there will be 6,500 booths covering 650,000 square feet at the Sands and Convention Centers. "Buyers will be able to see the most comprehensive array of vehicle products anywhere," said ASIA president Dave Roland, "and education prior to and during the show will allow attendees to explore new concepts to help their businesses grow and prosper. It is truly a 'must attend' event."

While final planning for the massive Las Vegas event continues, we should remind our readers that APAA's previously announced Chicago Consumer Automotive Products & Services Exposition, a show for consumers, will still be held in Chicago's McCormick Place West (Donnelley Hall), October 2-4.

Decisions about trade shows in 1993 and beyond are still being discussed by the various aftermarket organizations. ■

Quick Lube Market Mature, Retail Financials Good

Valvoline Instant Oil Change, Lexington, KY, recently opened its 300th service center. President Bob Harbison noted that the Valvoline operation had gone from 42 to 300 service centers in just five years. Valvoline owns about 270 of the centers and franchises the remainder.

Harbison might have been speaking for the

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RACING PROFILES

Get your store into the excitement of motorsports with racing tie-ins and promotions.

by **Steve Davis,**
Editor

"Auto racing attendance continues to grow in the face of what many experts have classified as a sluggish economy," said Leo Mehl, director of worldwide racing for Goodyear Tire & Rubber Co., Akron, OH. "Despite a nationwide belt-tightening, it's tough to downplay the commercial value of auto racing when attendance continues to increase and the television industry continues to expand its motorsports programming."

Aftermarket suppliers—brands and logos you handle in your store every day such as AC-Delco, Valvoline, Motorcraft, STP, Octane Boost, Exxon, Bosch, and Zerex—have supported motorsports for many years. Virtually every form of car and truck racing carries the flags of aftermarket backers and contingency sponsors on the flanks of its competitors. Racing provides high visibility for sponsors. Com-

Photo courtesy: Daytona International Speedway

1990-91 MAJOR AUTO RACING SERIES ATTENDANCE COMPARISON[1]

Sanctioning Body And Car Type	Race Dates 1991	Total Attendance 1991[2]	Average Attendance 1991[2]	Race Dates 1990	Total Attendance 1990[2]	Average Attendance 1989[2]	Attendance Gain/Loss 1991-90[2]
NASCAR Winston Cup Stock Cars	29	3,377,050	116,450	29	3,336,675	115,058	+ 40,375
CART Indy Cars & USAC Indy 500	17	2,806,801	165,106	16	2,616,115	163,507	+190,686
NHRA Drag Cars	18	1,547,900	85,994	19	1,535,575	80,820	+ 12,325
WOO Sprint Cars	73	1,297,650	17,776	66	1,171,100	17,743	+126,550
SCCA Trans-Am Cars	14	1,013,645	72,403	15	1,128,475	75,232	-114,830
NASCAR Grand National Stock Cars	31	938,450	30,273	31	913,800	29,477	+ 24,650
IMSA GT Prototype Cars	14	760,500	54,321	15	855,200	57,013	- 94,700
IMSA GTO/GTU Cars[4]	15[4]	611,420	40,761	14[4]	779,750	55,696	-168,300
ASA Stock Cars	20	502,017	26,421	17	330,106	19,418	+171,911
ARCA Stock Cars	20	440,300	22,105	18	351,650	19,536	+ 88,650
MTEG Stadium Off-Road Vehicles	10	347,950	34,795	10	386,826	38,683	- 38,876
ACT Stock Cars	21	328,562	15,645	23	345,925	15,050	- 17,363
NASCAR Winston West Stock Cars	8	308,500	34,278	9	261,000	29,000	+ 47,500
IHRA Drag Cars	7	307,734	43,962	8	309,628	38,704	- 1,894
NASCAR Modified Stock Cars	23	282,600	12,287	23	270,900	11,778	+ 11,700
North American Totals[3]	**272**	**12,496,094**	**45,942**	**268**	**12,046,193**	**44,948**	**+449,901**

[1] Figures compiled from Goodyear Racing Division race reports and official sanctioning body statistics.
[2] Total event attendance including practice and qualifying days.
[3] Attendance and dates for multi-race events counted only once in totals.
[4] GTO/GTU is a support sries for IMSA Camel GT.

ACT = American/Canadian Tour
ARCA = American Racing Club of America
ASA = American Speed Association
CART = Championship Auto Racing Teams
IHRA = International Hot Rod Association
IMSA = International Motor Sports Association
MTEG = Mickey Thompson Entertainment Group
NASCAR = National Association for Stock Car Auto Racing
NHRA = National Hot Rod Association
SCCA = Sports Car Club of America
USAC = United States Auto Club
WOO = World of Outlaws

petition is a real life testbed for their products, and it also builds enthusiasm throughout their companies.

Motorsport's Massive Appeal

You can't beat motorsports for their vast exposure of products, corporate identity, and retailer or jobber names. Sponsorship of a car or team, sponsorship of an event, and contingency awards are all ways – from large investment to small – to get involved in racing. For race sponsorship, look no further than the National Association for Stock Car Auto Racing (NASCAR) where events such as the Daytona 500 by STP, Goodwrench 500, Motorcraft Quality Parts 500, Champion Spark Plug 500, AC-Delco 500, and Pyroil 500 provide priceless visibility for these companies and products.

Goodyear's annual check on 15 professional racing series showed an overall increase of 449,901 or 3.7% over 1990. A record total of 12,496,094 spectators attended 272 events in 1991, up from 12,046,193 for 268 events in 1990. Average event attendance rose 2.2% to 45,942 from 44,948 in 1990. These are pleasantly positive numbers for a less than stellar economic year.

The advertising industry estimates the annual television viewing audience for motorsports at about 250 million. Television, led by ESPN, has increased both live and taped racing coverage. From 92 races in 1986, the total number of events has jumped to 248 in 1991. ESPN isn't alone; TNN came on board in 1991 with 22 race telecasts and plans to bump that up to 37 this year. And, some of those events will be first-ever live broadcasts of major drag races.

The major networks – ABC, CBS, and NBC – carry selected races while super station WTBS, SportsChannel America, and Univision have also expanded their racing coverage. On top of that over a dozen auto racing shows are on the tube each week. "In this decade," said Mehl, "it will be difficult to match the explosive growth auto racing experienced during the '80s. The simple fact is that most race tracks now are operating at near-capacity.

"Tracks are seeking more help from state and local law enforcement agencies to handle the swelling volume of race traffic." Mehl explained. "Business plans routinely include major capital improvement budgets to build new grandstands and hospitality suites, expand parking areas, and improve public amenities. It's the price you pay for success," he added.

For the aftermarket, the most interesting aspect of motorsports is that the demographic and pyschographic profiles of all those racing fans matches up with that of your retail customer – the DIYer. Our *Consumer Automotive Repair Study (CARS)* findings show that the prime DIY age group is 25-34 years old, followed by the 35-44 year old group. DIYers are also primarily male. These demographics are a virtual match with those assembled by major race sanctioning organizations – racing fans are younger males with low-to-mid-range household incomes who are responsible for the maintenance of one or more vehicles.

What Racing Can Do For You

What exactly can racing bring to an aftermarket product and automotive parts store? The many benefits include:

- The enthusiasm that racegoers have for their sport rubs off on the parts and products used in racing. When you stock those parts that have racing images, this enthusiasm and interest carries over into your store.
- Race tracks are also proving grounds for automotive parts and products. Hard parts and vital fluids that survive the heat, pressure, and speeds of motorsports have proven themselves. The spectator perception is that if they're good enough for a Mario Andretti or Don Garlits, surely they'll do fine in my street car.
- Brand names are important to our business. Racing builds recognition of brands. The visibility supplied by racing and racing-related promotion is incalculable.
- Racing builds store traffic. Race promotions can bring in customers before and after events.

Stores can get involved in racing in several ways:

- Participate in supplier race promotions. Read the Racing Profiles in this issue to see which manufacturers back auto racing. These companies run racing-related contests and promotions, offer race apparel, and can supply everything you need to get your store race ready.
- Sponsoring a car or team may be too rich for your blood, but you can be a partial sponsor or offer discounts to those racers who carry your store identification.
- TV/radio, race program, and trackside advertising are not expensive and provide excellent visibility for your business.

Getting Into The Race

Putting your store into the race is relatively easy and doesn't cost much at all. The idea is to wrap your business in the excitement that racing generates. The following are some easy ways to get involved:

- Feature those products your suppliers promote through racing. Display them prominently. Make use of available merchandising such as window posters, special displays, flags, and banners.
- Advertise your store at the racetrack. You might even look into setting up a mini-store at the event.
- Race clothing, or wearables as they've become known, are very popular. Dress your store personnel up with caps and shirts during racing season. These are also excellent items to sell.

Get involved with racing; it's exciting for your customers and employees alike. ■

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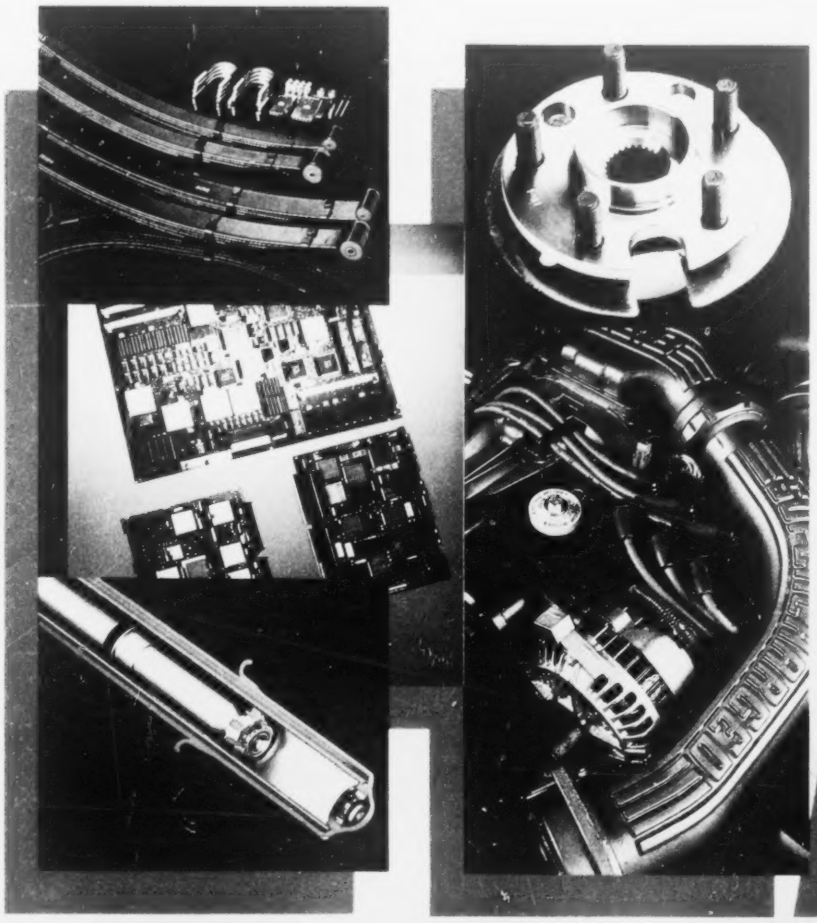

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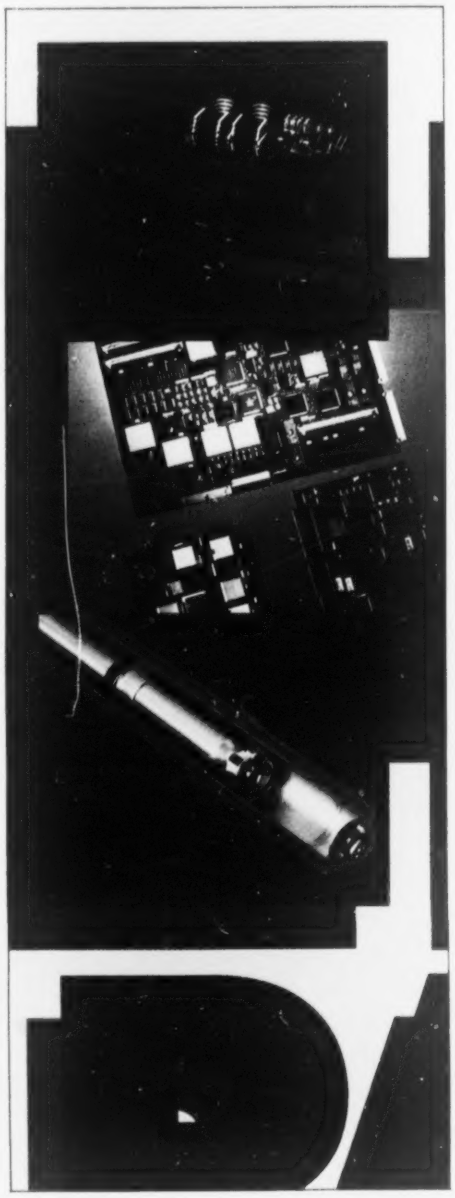

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
Donald W. Chestnut; Sr. V.P. Operations/Admin.
Christopher M. Savine; V.P., Finance, C.F.O.

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FIVE OUT OF
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MARKET LINE

CAR POPULATION

1992 Polk Count Finds Car Growth Virtually Ceased

For conclusive proof that 1991 was a recessionary year, consult the latest annual vehicle registration census kept by R.L.Polk & Co., Detroit. According to Polk's count, the car population totaled 123.3 million on July 1, 1991, a growth rate of 51,000 vehicles (about one tenth of one percent) from 1990. Only 8.7 million new cars were registered in the year ending June 30, 1991, a decrease of 7.9%. 1The median age of cars rose to 6.7 years.

"For the first time, the nation's passenger car population is at a zero growth rate for all practical purposes," said Robert Borthwick,vice president and manager, Automotive Replacement Market Services. "Unless consumer buying patterns change soon, a decline in the U.S. car population could occur within the year."

Although new truck registrations were also down by 11% at 4.4 million, the truck population increased by 3.9% to 58.2 million units. The median age of trucks rose to 6.8 years.

"The aging fleet bodes well for the U.S. automotive aftermarket," said Borthwick, "because consumers hold on to their older vehicles and spend money to keep them running." ■

FUEL INJECTION

Study Finds $300 Million Fuel Injection Parts Market

A new study by Marketing Research Services (MRS), Seaford, NY, finds the market for fuel injection maintenance and repair exceeded $300 million in 1991. Unfortunately, the aftermarket is getting very little of the business. The bulk of fuel injection service work is done by new car dealers who account for 65% of the service.

In the aftermarket, general repair shops do 16% of fuel injection service followed by service stations at 10%, while specialty repair shops draw 7% of fuel injection service.

According to analyst Jay Galligan, one-third of independent service outlet managers say dealer warranties keep fuel injection service customers away. Another 16% say service managers have difficulty justifying repair costs. And, 15% lack competent mechanics to do the work.

The full study is available from MRS for $475. ■

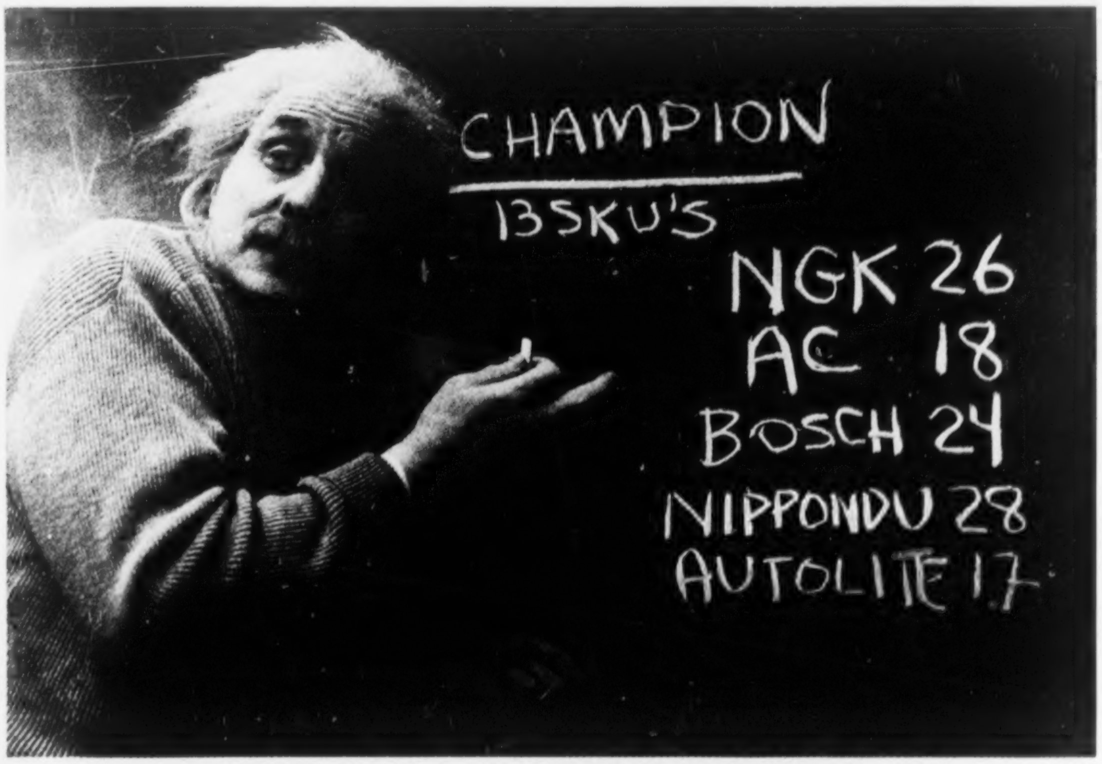
MARKET SHARES IN THE SERVICE MARKET 1980-1990

The continued decline in the number of full-service gas stations means the service station segment is the big loser in market share in the service market. Others declining are discount/department stores which are closing auto service centers. Among the winners are new car dealers, specialty repair shops, and auto parts stores such as Western Auto, Pep Boys and Grand Auto.

Outlet	1990	1980	Change
Service Stations	26%	39%	-13%
New Car Dealers	22	17	+5
General Repair Shops	15	11	+4
Specialty Repair Shops	13	10	+3
Tire Stores	8	7	+1
Auto Parts Stores	7	5	+2
Mass Merchants (e.g., Sears/Kmart)	4	3	+1
Discount/Department Stores	4	6	-2
Others	1	2	-1

Source: Motor Equipment Manufacturers Association

You don't have to be a genius to figure it out.



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HARD PARTS

With people keeping their vehicles longer than ever, hard parts are a vital segment of every aftermarket outlet's inventory.

by **Philip Katcher,**
Business Editor

If you want to get a grasp of how important the hard parts market is in 1992, consider the fact that in 1991, according to R.L. Polk & Co., Detroit, the median age of cars rose to 6.7 years. At the same time, the median age of trucks rose to 6.8 years.

"The aging fleet bodes well for the U.S. automotive aftermarket," said Robert Bothwick, Polk's vice president and manager, Automotive Replacement Market Services, "because consumers hold on to their older vehicles and spend money to keep them running." And hard parts—largely basic drivetrain components—are the most needed items in keeping vehicles running.

So, the market can be huge. For example:

- According to a new study by Marketing Research Services (MRS), Seaford, NY, the market for fuel injection maintenance and repair was more than $300 million in 1991.
- Jim Gerber, director of product management of AP Parts, Toledo, OH, estimates that as many as two million catalytic converters were sold through the aftermarket in 1990.
- Jeff King, director of marketing, Gabriel Ride Control Products, Carol Stream, IL, estimates a growth rate per year of nearly a million units over the next decade for adaptive suspension replacement parts in North America. Moreover, he points out, each system upgrade is a job that bills between $1,000 and $2,500 for big ticket sales, and it profits both the installer and the jobber who sells the parts.

Therefore, it's no surprise that retailers continue to stress selling hard parts to both professional and DIY customers. In all, members of the *Automotive Marketing* Reader Panel reported that hard part sales account for 48% of their unit sales. In 1990, the figure was virtually the same at 45%. At the same time, they reported that hard parts sales account for 47% of their dollar sales, little different from the 50% reported in 1990.

Interestingly, data from the Reader Panel suggests that as vehicle technology has gotten more complicated, and the vehicle-owner population has continued aging, there is a definite trend towards professional installation. While there was little change in hard parts sales, in terms of where they fit into the overall product mix in terms of dollar and unit sales, there is a large change in terms of what percentage of them went to DIYers. Where only two years ago, Reader Panel members reported that on average 71% of their hard parts sales went to DIYers, today the same panel reports that only 61% of their hard parts sales now go to DIYers.

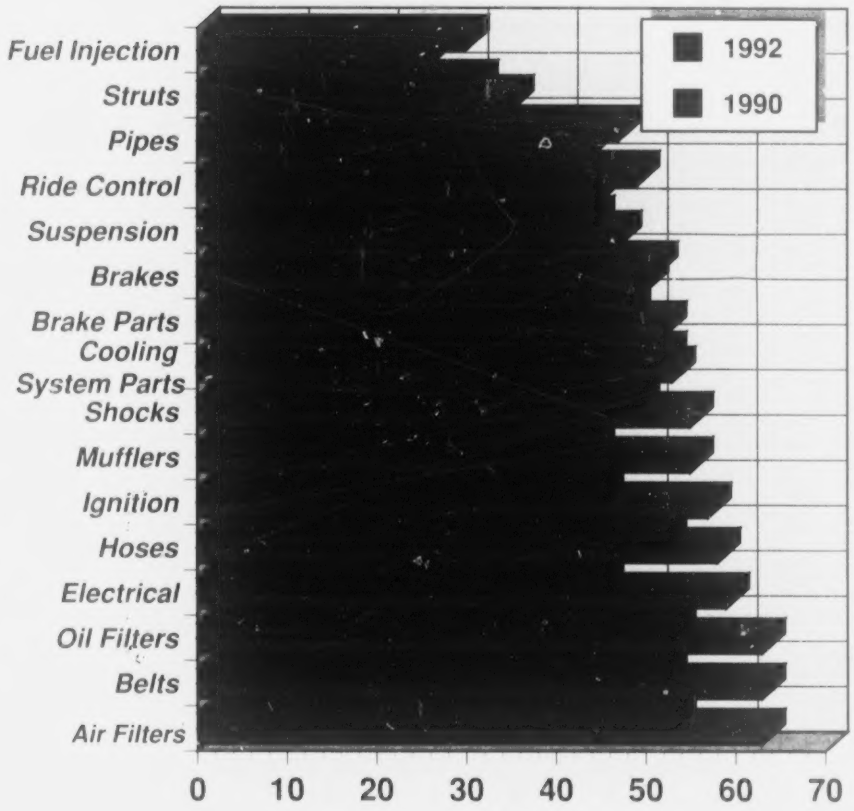
For Example, Brakes

Brakes and brake parts are a fine example of hard parts in a rapidly changing technology. There is evidence, as shown in a survey produced for Allied Signal Inc., Providence, RI, that only 20% of vehicle owners consider having their brakes checked regularly a priority with them. This is despite the fact that some 40% of all drivers, surveyed in the same study, admitted that they have experienced brake failure at some time, and almost half said that brake failure was one of their chief worries in driving.

One of the reasons for this behavior may be new technology. Many new cars today come with anti-lock braking systems (ABS). Even though the systems themselves use ordinary brake parts, many vehicle owners perceive the system as using advanced technology they can't

HARD PARTS AND DIYERS

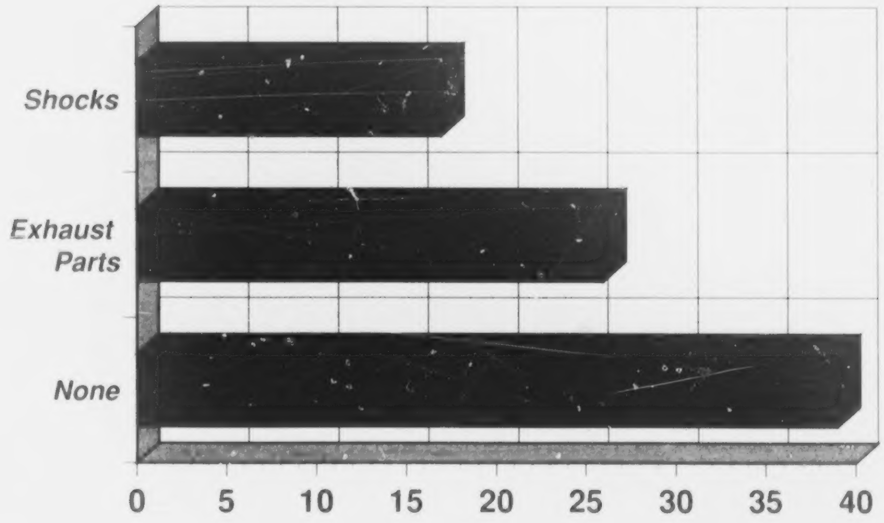
We asked aftermarket outlets what percentage of their sales went to DIYers both in 1990 and again this year. Generally, it appears as if fewer sales are going to DIYers, despite the recession, now than did a couple of years ago.



Source: *Automotive Marketing* Reader Panel

CUTTING HARD PARTS CATEGORIES

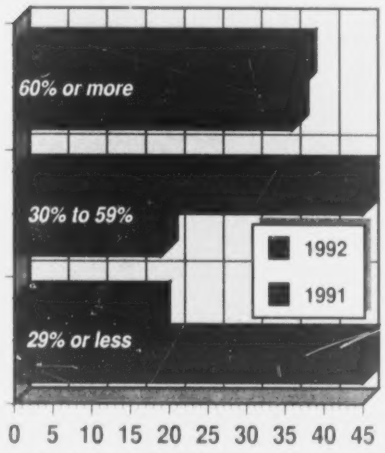
We asked aftermarket outlets what hard parts categories they could safely cut without hurting sales. When we asked the same question in 1990, "none" led the list at 67% of outlets, followed by fuel pumps at 33%, shocks at 17%, and points and condensers at 17%.



Source: *Automotive Marketing* Reader Panel

HARD PARTS AND UNIT SALES

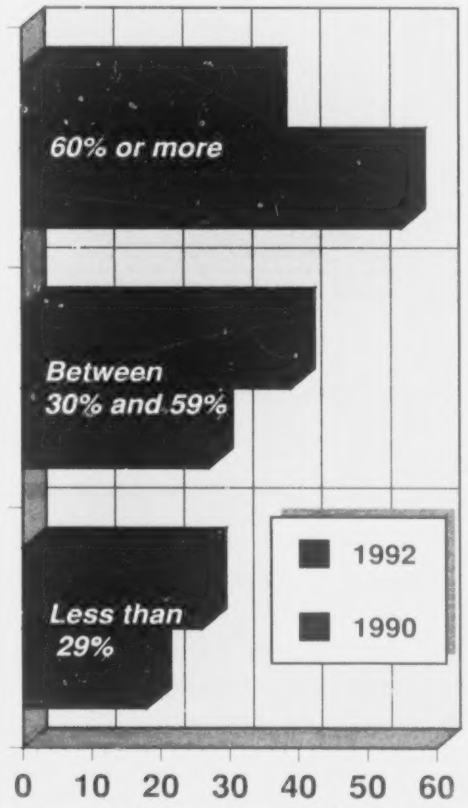
We asked aftermarket outlets what percentage of their unit sales hard parts cccounted for in 1990 and this year. Generally, hard parts seem to be increasing in importance in terms of unit sales.



Source: *Automotive Marketing* Reader Panel

HARD PARTS AND DOLLAR SALES

We asked aftermarket outlets what percentage of their dollar sales hard parts account for. The percentage has changed significantly since 1990, perhaps indicating increased sales of products that help keep a vehicle new of that the owner doesnot have to invest in a new vehicle.



Source: *Automotive Marketing* Reader Panel

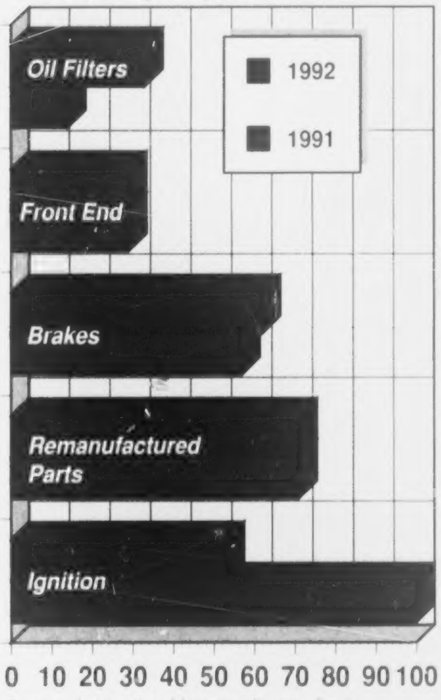
work on themselves and hence they turn to professional service. Moreover, extended warranties appear to have led to too much consumer confidence in their vehicle braking systems, so much so that they often don't bother with periodic inspections.

So, too many drivers out there aren't getting their brakes looked at often enough. Indeed, most drivers apparently get brake work done, or do it themselves, when they hear noises when they hit the brakes. This tends to happen in spring, when they finally start driving with the windows open. Often these noises come from the use of lubricants that can't stand up to brake part heat, rather than actual brake part failures.

Fixing this type of consumer behavior will take an educational effort from manufacturers, retailers, and professional installers alike. Even so, today 29% of AM Reader Panel members said they'd have to increase the number of brake part SKUs they stock. So, brakes and brake parts are a major hard parts category for both retailers and jobbers. Indeed, when looking at consumer buying patterns, according to the 1992

THE MOST PROFITABLE HARD PARTS

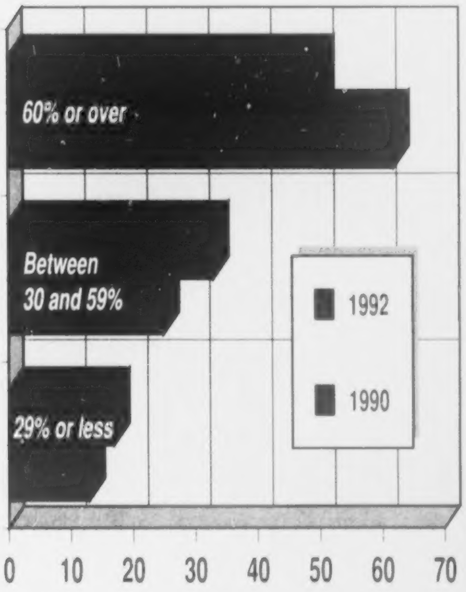
We asked aftermarket outlets what the most profitable hard parts lines they handled were. The list was quite similar in 1990 and today in terms of placing categories within the lists.



Source: Automotive Marketing Reader Panel

HARD PARTS AND DIY SALES

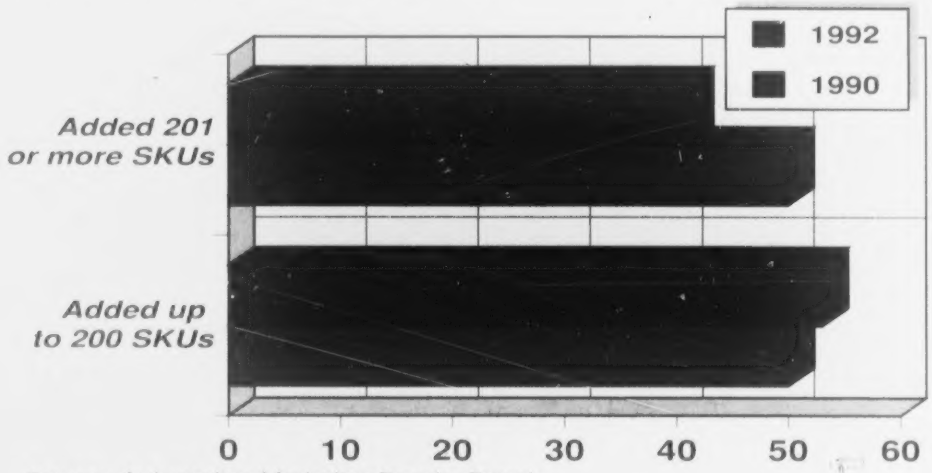
We asked aftermarket outlets, both jobbers and retailers, what percentage of their total hrd parts sales DIYers account for. DIY sales seem to have slipped slightly over the past two years.



Source: Automotive Marketing Reader Panel

HARD PARTS SKUs ADDED

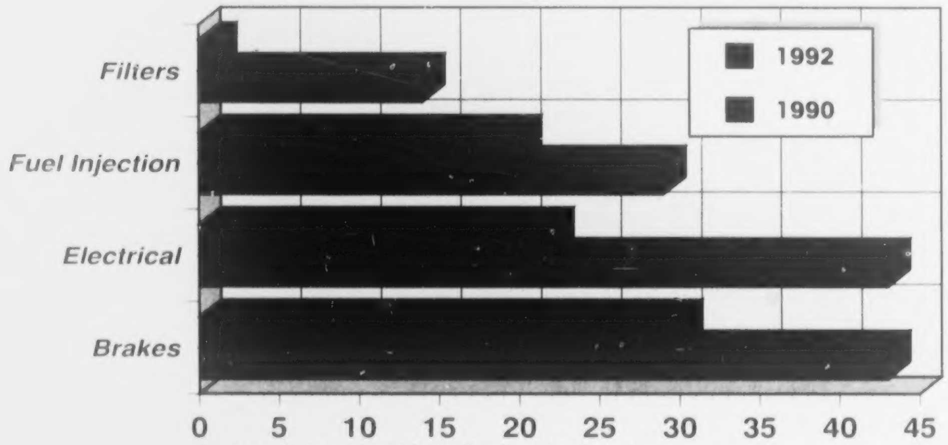
We asked aftermarket outlets for a ballpark estimate of how many SKUs of hard parts they'd added since 1985 both in 1990 and again this year. Slightly more SKUs have been added over the last couple of years.



Source: Automotive Marketing Reader Panel

EXPANDING HARD PART CATEGORIES

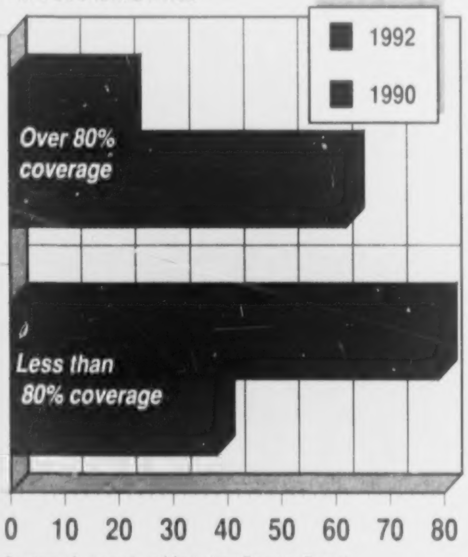
We asked aftermarket outlets what categories of hard parts did they need to add SKUs in. The advent of widespread ABS systems are one cause of brake parts leading today's list



Source: Automotive Marketing Reader Panel

HARD PARTS COVERAGE

If what aftermarket outlets report to us is to be believed, hard parts coverage has slipped over the past couple of years, perhaps as a result of a combination of increasing parts proliferation and hard economic times.



Source: Automotive Marketing Reader Panel

Automotive Marketing Consumer Automotive Repair Study (*CARS*), one sees that the 18% of all brake buyers who also call themselves "dedicated" DIYers, 71% of them bought brake parts at an auto parts store. This is an almost classic example of the "20/80" rule that says that 20% of the customers buy 80% of the products sold. And, it's further evidence that in hard parts, as in other product categories, a retailer has to know and reach his prime customers.

Many of the auto parts stores mentioned were true jobbers rather than strictly retail outlets.

Then, once dedicated DIYers bought brake parts, three quarters of them went on to install them themselves.

Of the 29% of brake buyers who defined themselves as "medium" DIYers, a third bought the products at an auto parts store. Another 40% of brake parts buyers called themselves "light" DIYers, and 27% of them shopped at an auto parts store. Another 9% of them bought brake parts at a service station, which most likely got them from a jobber earlier.

Finally, of the 13% of brake buyers who said they were "non-DIYers", 14% bought the parts at an auto parts store. Another 15% of this group bought brakes and parts at a service station, which, presumably, bought them from a jobber.

As with brakes, so with most hard parts. Getting consumers to maintain their vehicles on a regular basis, and therefore inspect and replace hard parts on the same basis, requires an educational effort at all levels of the aftermarket. However, for today at least, as vehicles are kept in the nation's garages longer, there is a growing opportunity for those aftermarket outlets that stock and stress hard parts of all types. little box flush right ■

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LIGHT
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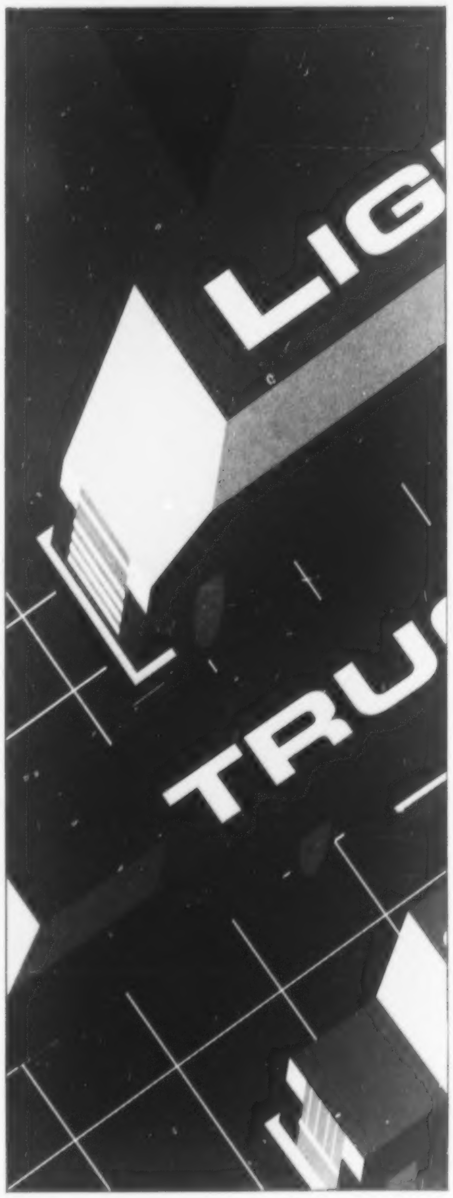

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Bernard Burdman, president of J. Burdman Auto Parts Inc., retired on January 1, 1992, leaving behind a 72-year-old business founded by his father Joe.

Retailers Misuse Coop Funds 12

Although companies have strict policies on paying coop advertising, there are always exceptions to those rules.

Light Truck Maintainers 21

With light truck sales up, it's time to look at the habits of those who maintain those vehicles, as well as vans and utility vehicles.

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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FIVE OUT OF
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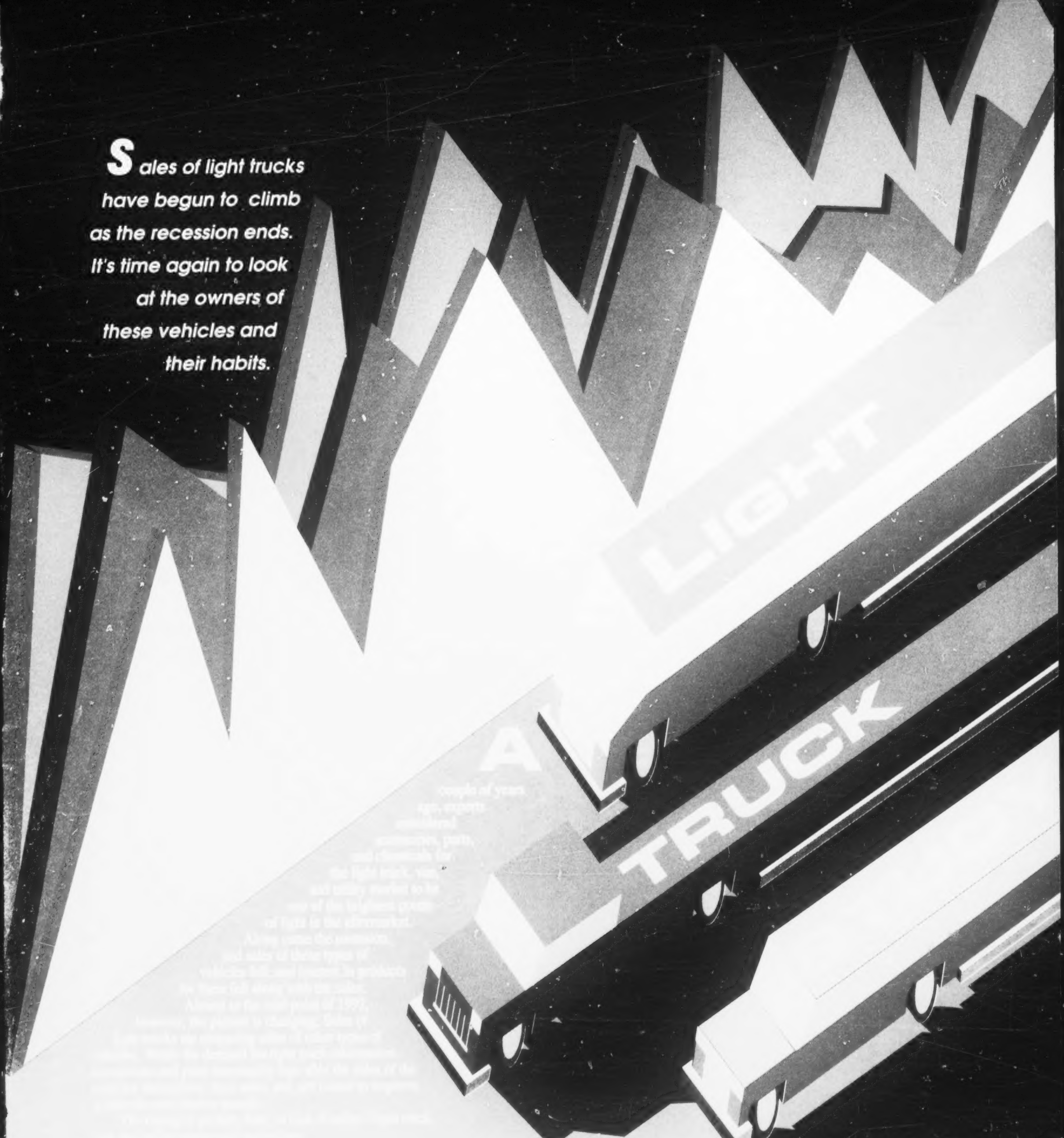


LIGHT TRUCK

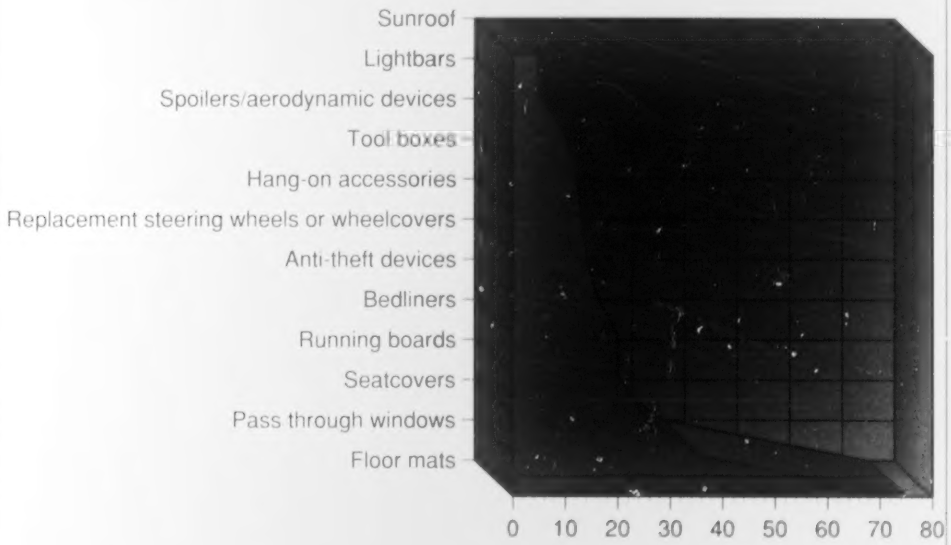
Sales of light trucks have begun to climb as the recession ends. It's time again to look at the owners of these vehicles and their habits.

A couple of years ago, experts considered accessory, parts, and chemicals for the light truck, van and utility market to be one of the brightest points of light in the aftermarket. As we [illegible] the recession, and sales of these types of vehicles fell, [illegible] products [illegible] fell along with the sales. [illegible]

by **Philip Katcher,**
Business Editor

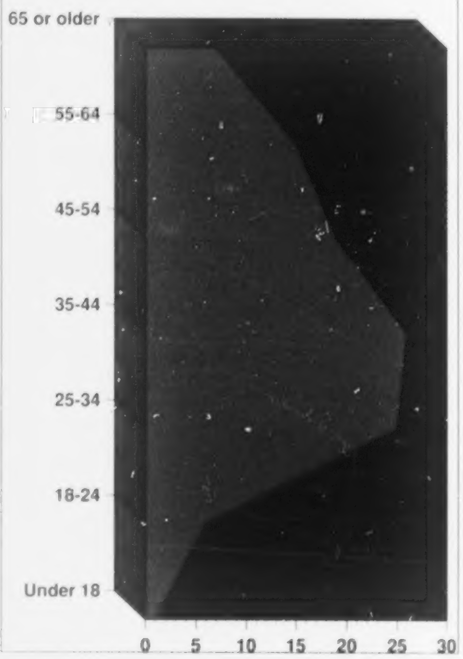
ACCESSORIES ON THEIR LIGHT TRUCKS

Floor mats were the most owned type of accessory among those who drive light trucks, vans, or utility vehicles.



AGE OF THE LIGHT TRUCK MAINTAINER

Maintainers of light trucks, vans, and utility vehicles are slightly younger than car maintainers as a whole.

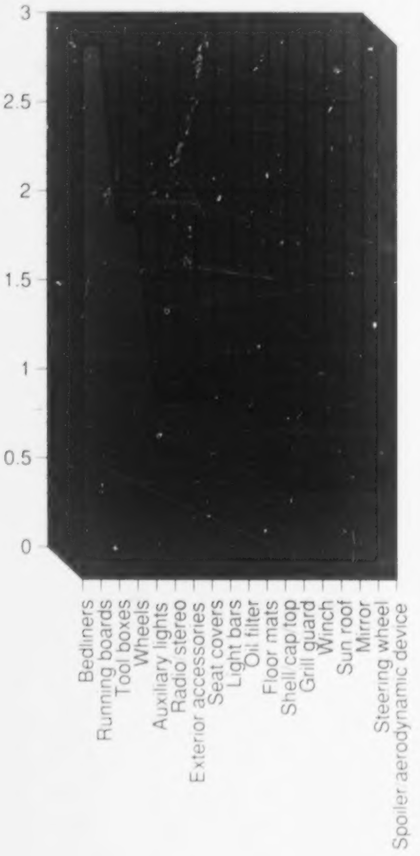


WHAT THEY BOUGHT FIRST

Most light truck owners bought floor mats as their first accessory after buying the vehicle. Even so, only 10% bought them first, so there was a wide variety of types of accessories purchased as that first item.

WHAT THEY'LL BUY NEXT

Bedliners were the most mentioned item for a next light truck purchase.



maintainers were 55-years-old or more.

There is a great deal more even spread in terms of income levels. Even so, 38% of all light truck maintainers make over $40,000 in annual household income. Indeed, the percentage of light truck owners declines with falling annual household income levels. Another 19% of light truck maintainers make between $30,000 and $40,000 in annual household income; 18% make between $20,000 and $30,000; and 14% make under $20,000 in annual household income.

Virtually two thirds of all light truck maintainers are also DIYers to a significant extent. In all, 30% said they are "dedicated" DIYers who can even do major engine work. Another third are "medium" DIYers who change their own oil and filters. In all, 28% are "light" DIYers who only top off oil or do similar minor jobs. Only 9% say they don't do any of their own vehicle maintenance work.

This means extra sales to light truck maintainers for aftermarket retailers. Because, not only are these maintainers buying products for their light trucks, but the large majority of them also maintain another vehicle—often a car—and buy products for that, as well. In all, 43% of light truck maintainers say they are responsible for maintaining three of more vehicles. Another 43% say they maintain two vehicles, the light truck and one other vehicle.

The Van Owner

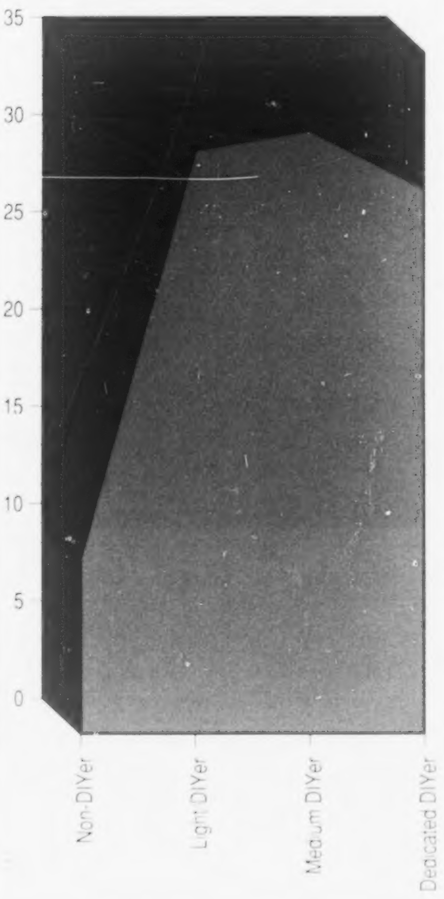
Vans have often replaced station wagons as primary vehicles for larger families. There's a different image for the van owner—a sensible, family image rather than a hard-working, hard-living light truck owner. And the numbers tend to bear out these differences as having some validity.

Just over a quarter (27%) of all types of vehicle maintainers who have one of these types of vehicles, owns a van.

More women maintain vans than light trucks, at least in terms of percentages of all vehicle maintainers. In all, 28% of van maintainers are

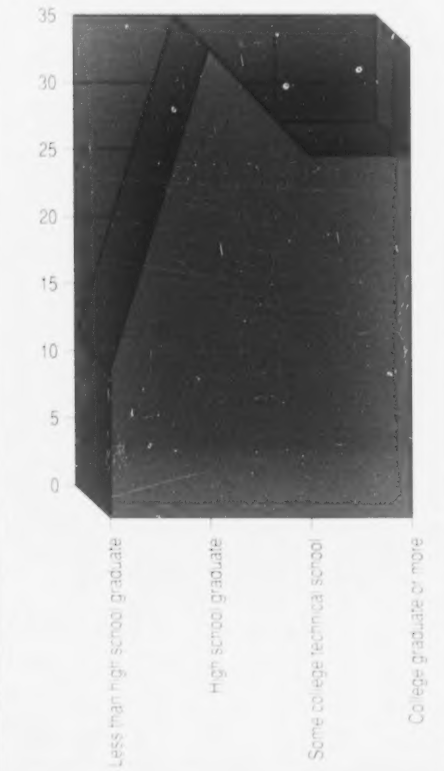
HOW LIGHT TRUCK MAINTAINERS DEFINE THEMSELVES AS DIYERS

Maintainers of light trucks, vans, and utility vehicles tend to be DIYers in greater numbers than car maintainers.



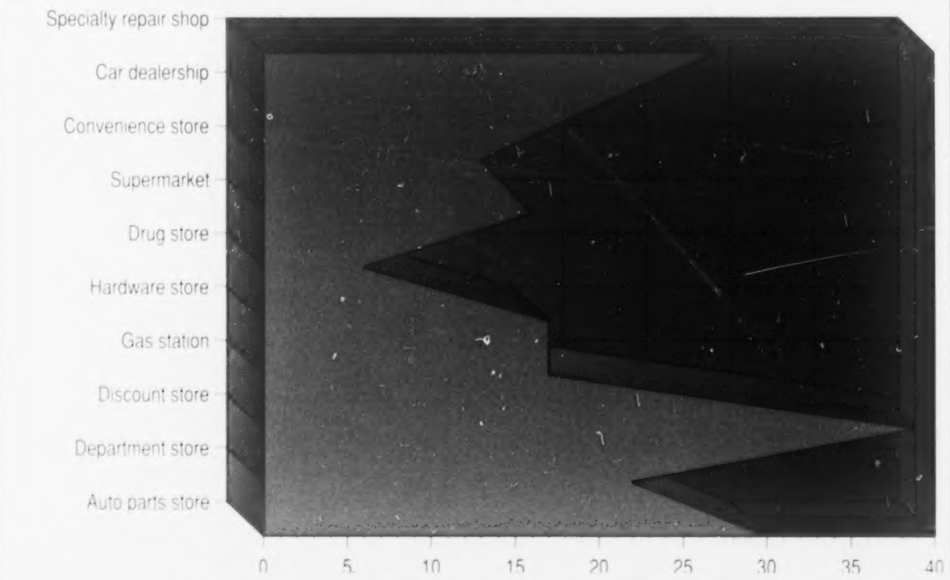
EDUCATIONAL LEVEL OF THE LIGHT TRUCK MAINTAINER

Over half of the maintainers of light trucks, vans, and utility vehicles went to college.



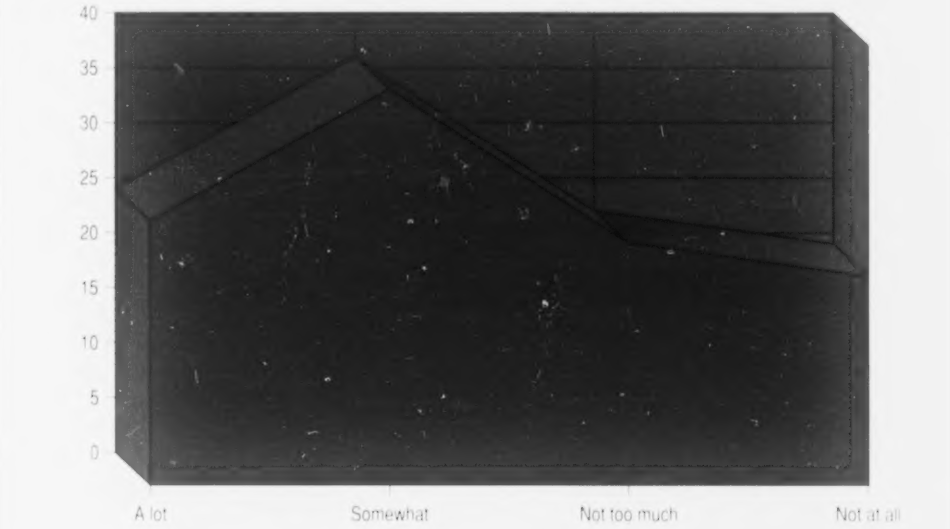
WHERE THEY BUY AUTOMOTIVE PRODUCTS

Maintainers of light trucks, vans, and utility vehicles turn first to a discount store for automotive products, then to an auto parts store.



HOW MUCH THEY ENJOY AUTOMOTIVE DIY

Maintainers of light trucks, vans, and utility vehicles tend to enjoy doing their own automotive DIY work in greater numbers than car maintainers.



female. Van maintainers are younger than light truck maintainers. While only 5% are under 25-years-old and 22% are between 25 and 34-years-old, 30% are between 35 and 44-years-old. And another 27% are between 45 and 54-years-old, making the prime income years also prime van owning years.

Proof of this is shown in the fact that over half (52%) of all van maintainers make $40,000 or more in total annual household income. Another 13% make between $30,000 and $40,000 in annual household income. Clearly van maintainers have money to spend on their vehicles.

One might think that such respectable annual household incomes come at the cost of time available for such work as automotive DIY work. This would appear to be the case, since one third of all van maintainers say they're "light" DIYers while another third say they're "medium" DIYers.

Still, they're forced to spend money to maintain vehicles. For almost half of all van maintainers (48%) say their van is only one of at least three vehicles in their households they have to maintain. Another 39% say the van is one of two vehicles they must maintain.

The Utility Vehicle Maintainer

Much of what is true about light truck maintainers is true about the maintainers of utility vehicles such as Jeeps or Troopers. In all, 17% of maintainers who own at least one of these types of vehicles, owns a utility vehicle.

They are mostly men—almost three quarters of them are male.

They are mostly between 25 and 44-years-old. In all, 28% are between 25 and 34-years-old, and 30% are between 35 and 44-years old.

They make enough in annual household income to afford what is essentially a fun, rather than necessary, vehicle. Almost half (46%) make over $40,000 in annual household income. Another 18% make between $30,000 and $40,000, while only $13% make between $20,000 and $40,000. The latter is the same percentage as utility vehicle maintainers making under $20,000 in annual household income.

One quarter say they are "dedicated" automotive DIYers. A third are "medium" DIYers. And just over a quarter are "light" DIYers.

Finally, over half (55%) include their utility vehicles among at least three household vehicles they must maintain. Another 41% have at least one other vehicle they maintain in their household. ■

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TOP 100

Who are the top jobbing and retail chains?

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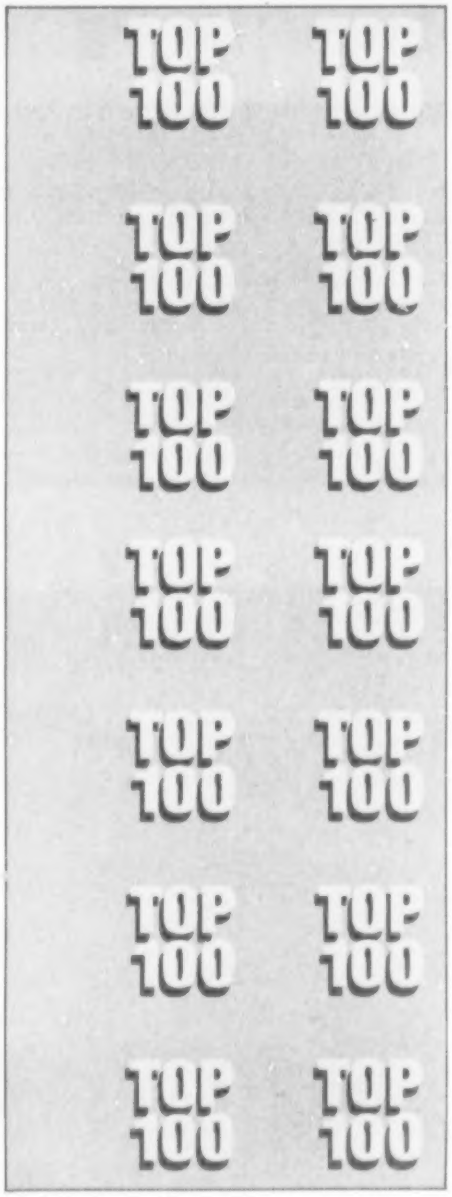

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EDITORIAL STAFF

FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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Donald W. Chestnut; Sr. V.P. Operations/Admin.
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TOP 100

Who are the top jobbing and retail chains?

Some numbers among the largest 100 aftermarket chains have continued to grow despite the economy.

by **Phil Katcher,** Business Editor

Despite all the "gloom-and-doom" talk about the aftermarket and general economy in the last year, in all the 100 largest aftermarket store chains who reported their annual figures to us had an estimated 117 more stores than they did in 1990, with another 46 more service bays this year than last.

However, the economy's ugly head was seen in the fact that sales fell off $265,541 in the estimated sales volumes from 1991 against 1990. Since both figures included a number of sales volumes *Automotive Marketing* estimated, based on previous sales figures and store numbers and types, such a small number should be considered not especially firm. Instead, it is more indicative of what was essentially a flat market.

Indeed, according to the Lang Marketing Resources (Wyckoff, NJ), the annual rate of growth for jobbers from 1990 to 1991 was only 0.79%. This compares to a 1.54% growth rate for 1990 and a 3.13% growth rate for 1989.

Given this slow to no overall growth rate, it's no surprise that the chains we surveyed—over a thousand for this listing—didn't grow that much during 1991. Indeed, the trend among aftermarket chains has been generally towards downsizing, closing unprofitable stores to concentrate on the winners.

Probably due in good part to these store closings, at the same time, reported sales per store in the chains which reported overall annual sales rose. In 1991 the aftermarket reached the point where the average store is worth around a million dollars in sales. The "million dollar store" has long been an aftermarket objective and now it's apparently an industry-wide reality.

As well, in the past there have been many changes in CEOs' names, proof of the furious personnel changes of the Reagan era. This year, companies seem to have stuck with tried and true management while individuals stuck close to companies in which they had a history.

Therefore, this year's list shows few changes—and no surprising changes—from last year's list. Again, retail chains dominate the beginning of the list, while jobber chains tend to be found more towards the end of the list. Percentages of retail vs. wholesale sales run around the same this year as last, as do the companies which offer professional installation and service. Basically, a large part of the fact that there were more service bays this year than were listed last year is because one chain which has an extensive service operation appeared on this year's list for the first time. Before this the chain had not reported enough stores to appear on the list.

This year information on which chains belong to which programmed distribution groups has not been provided. In the past, most chains told us what groups, if any, to which they belonged. However, a handful ignored our request for this information, something which bothered the groups who naturally enough want their full memberships reflected in the list.

Finally, there was apparently some more reluctance among companies to give information about themselves. One major company's CEO even hesitated to tell us his company's new ZIP code. ■

FASTEST GROWING CHAINS

As may have been expected, in the second year of a deep recession, most chains did not report serious growth in the number of stores they operated in 1990 vs. 1991. Indeed, most had consolidated a bit, closing unprofitable stores in order to operate more efficiently.

So, where the fastest growing chain in 1991 had 45% more stores in 1990 than 1989, the fastest growing chain in 1992 had only 23% more stores than the year before. Still, in a year of virtually no growth across the entire aftermarket industry, such a growth is pretty dramatic stuff. As is the addition of 122 stores to these ten chains.

While the fastest growing chain is a jobber chain, it's interesting that most of the rest of the fastest growing chains were essentially retailing organizations targeting DIYers as their prime customers. Last year, the list was a bit more evenly divided between pure retailers and jobbers or jobber/retailers.

THE *AM* TEN FASTEST GROWING CHAINS, 1991-1992
(The fastest growing chains, in terms of total stores listed in the July 1991 Top 100 list and this list.)

#	Chain	1991 List #	1992 List #	1991 Stores	1992 Stores	Total Growth	% Growth
1.	Automotive Supply Assoc.	64	44	23	28	5 stores	22%
2.	ADAP (Rite Aid)	24	22	79	89	10 stores	13%
3.	Big Wheel/Rossi	38	34	40	45	5 stores	13%
4.	The Pep Boys	7	6	313	340	27 stores	9%
5.	H/LO Auto Supply Companies	19	20	108	118	10 stores	9%
6.	AutoZone	3	2	570	618	48 stores	8%
7.	One Stop Auto Parts	61	48	24	26	2 stores	8%
8.	PACCAR	14	16	130	138	8 stores	6%
9.	O'Reilly Automotive (Ozark)	18	18	115	122	4 stores	6%
10.	Forest City Auto Parts Co.	31	31	51	54	3 stores	6%
	TOTAL ADDITIONAL STORES					122 stores	

ACTUAL REPORTED SALES

Most aftermarket chains, both pure retail and jobber, it must be admitted, are privately held and will not tell even their best friends what their annual sales figures are. Therefore, this list reflects only the handful which are required to by law, since they offer public stock sales, and those who are simply not afraid to.

The interesting thing, then, is that each year this list is basically the same as the previous year, so it can be compared from year to year to see some overall aftermarket trends. This year, during which everyone has been crying the blues because of the poor overall economy, has actually seen a rise in the overall sales of the ten largest chains reporting actual sales. Indeed, there's been a 12% higher total reported. However, the actual numbers showed only $396,065 more in sales for 1991 than were made in 1990.

THE *AM* TOP TEN CHAINS REPORTING ACTUAL SALES
(Showing percentage of retail sales)

List #	Chain	100 List #	Sales (+000)	Address and phone number
1	The Pep Boys	6	1,001,508	3111 W. Allegheny Ave., Philadelphia, PA 19132 (215) 229-9000
2	Northern Automotive	1	707,000	645 Missouri Ave., Suite 400, Phoenix, AZ 85012 (602) 265-9200
3	Genuine Parts	3	616,000	2999 Circle 75 Pkwy., Atlanta, GA 30339 (404) 953-1700
4	AutoZone	2	412,867	3030 Poplar Ave., Memphis, TN 38111 (901) 325-4600
5	Trak Auto	7	319,635	3300 75th Ave., Landover, MD 20785 (301) 731-1200
6	PACCAR	15	195,000	1400 North 4th St., Renton, WA 98055 (206) 251-7600
7	O'Reilly Automotive	18	100,000	233 S. Patterson, Springfield, MO 65802 (417) 862-3333
8	Parts Plus Autostore	16	98,000	601 S. Dudley, Memphis, TN 38104 (901) 523-7711
9	ADAP (Rite Aid)	22	84,804	660 Bodwell St., Ext. Avon, MA 02322 (617) 587-8400
10	Sieg Auto Parts	17	46,000	400 N. Main St., Davenport, IA 52801 (319) 323-3641
	TOTAL SALES		3,580,814	

THE 1992 *AM* LARGEST 100 AFTERMARKET CHAINS

Rank	Chain	# of Stores	# of Bays	$ Sales (+000)	CEO	Address and Phone	% of DIY
1	Northern Automotive [1]	801	0	707,000	Julius Trump	645 Missouri Ave., Suite 400, Phoenix, AZ 85012 (602) 265-9200	95%
2	AutoZone	618	0	412,867	Peter Formanek	3030 Poplar Ave., Memphis, TN 38111 (901) 325-4600	95%
3	Genuine Parts	616	0	616,000	Tom Gallagher	2999 Circle 75 Pkwy., Atlanta, GA 30339 (404) 953-1700	30%
4	Chief Auto Parts Inc.	524	5	380,000*	Mike Manor	15303 Dallas Pkwy, Ste 800, Dallas, TX 75248 (214) 404-1114	95%
5	Western Auto [2]	517	3,185	1,310,000*	John T. Lundegard	2107 Grand Ave., Kansas City, MO 64108 (816) 346-4000	95%
6	The Pep Boys—Manny, Moe & Jack	340	2,400	1,001,508	Mitchell G. Leibovitz	3111 W. Allegheny Ave., Philadelphia, PA 19132 (215) 229-9000	99%
7	Trak Auto	333	0	319,635	Herbert H. Haft	3300 75th Ave., Landover, MD 20785 (301) 731-1200	95%
8	WSR [3]	332	168	330,000*	Alfred Woods	9A Brickplant Rd., South River, NJ 08882 (908) 390-9000	95%
9	Nationwise Automotive, Inc.	290	340	290,000*	Saul Levy	3750 Courtright Ct., Columbus, OH 43227 (614) 239-1111	95%
10	Advance Stores Co.	200	0	200,000*	Nicholas Taubman	1342 West Eighth, Roanoke, VA 24015 (703) 345-4911	99%
11	Super Shops	162	385	200,000*	Harry Eberlin	620 Newport Center Dr., Ste 860, Newport Beach, CA 92660 (714) 644-9900	95%
12	Fisher Auto Parts	161	0	160,000*	Art Fisher	512 Greenville Ave., Staunton, VA 24401 (703) 885-8901	20%
13	Discount Auto Parts, Inc.	150	0	150,000*	Denis L. Fontaine	4900 Frontage Rd. South, Lakeland, FL 33802 (813) 687-9226	99%
14	General Parts	142*	0	142,000*	Temple Sloan	2635 Millbrook Rd., Raleigh, NC 27604 (919) 876-9813	20%
15	PACCAR [5]	138	600	195,000	David J. Hovind	1400 North 4th St., Renton, WA 98055 (206) 251-7600	99%
16	Parts Plus Autostore (Parts, Inc.)	138	12	98,000	Mike Grisata	601 S. Dudley, Memphis, TN 38104 (901) 523-7711	35%
17	Sieg Auto Parts	126	0	46,000	Madis Suig	400 N. Main St., Davenport, IA 52801 (319) 323-3641	5%
18	O'Reilly Automotive (Ozark)	122	0	100,000	Charles O'Reilly	233 S. Patterson, Springfield, MO 65802 (417) 862-3333	50%
19	APS (Big A Auto Parts)	120	0	120,000*	Richard J. Spelleri	3000 Pawnee St., Houston, TX 77054 (713) 741-2470	33%
20	HI/LO Auto Supply Companies	118	0	142,500*	T. Michael Young	8601 Tavenor Lane, Houston, TX 77075 (713) 991-6052	78%
21	Stratco Inc.	94	35	75,000*	David J. Straus	POB 600, San Antonio, TX 78292 (512) 226-0101	30%
22	ADAP (Rite Aid)	89	0	84,804	Wayne Yodzio	660 Bodwell St., Ext. Avon, MA 02322 (617) 587-8400	99%
23	Aid Auto	88	0	55,000*	Philip L. Stephen	POB 281, Westbury, NY 11590-0281 (516) 338-7889	95%
24	Republic Auto	80	0	40,000	Keith Thompson	POB 2088, Brentwood, TN 37024 (615) 373-2050	40%
25	Advantage Auto Stores (Hahn)	75	0	73,000*	Mike Futerman	415 W. Main St., Rochester, NY 14608 (716) 235-1595	40%
26	Parts Depot/Steego Auto Parts	72	0	40,000	Rollance Olson	2177 Dale Ave., Roanoke, VA 24013 (703) 345-1001	40%
27	Crow-Burlingame	71	0	34,000	Fletcher Lord, Jr.	520 W. Capitol, Box 111, Little Rock, AR 72203 (501) 372-5275	25%
28	A.I. Automotive	68	0	70,000*	Stuart Baxter	4105 S. Creek Rd., Chattanooga, TN 37406 (615) 622-6274	30%
29	Hi-Gear Tire & Auto Supply	65	0	65,000*	Abe Shuster	110 Ritchie Rd., Capitol Heights, MD 20743 (301) 336-3000	99%
30	Quality Stores	61	100	200,000	John L. Hitt	1460 Whitehall Rd., North Muskegon, MI 49445 (616) 744-2491	95%
31	Forest City Auto Parts Co., Inc.	54	0	65,000*	Arnold Bellowe	25201 Chagrin Blvd., Ste 350, Beachwood, OH 44122 (216) 292-2525	90%
32	Brooks Auto Parts/Supply	51	0	50,000*	Elton D. Brooks, Jr.	402 S. Peterson Ave., Douglas, GA 31533 (912) 384-7818	45%
33	Kentucky Motor Service (KOI)	50	0	57,000*	Anthony W. Neltner	POB 395, Covington, KY 41011 (606) 431-6025	30%
34	Valley Motor Supply	46	0	40,000	Allen Dedman	2635 S. Belknap Ave., Billings, MT 59107 (406) 259-4577	30%
35	Big Wheel Auto/Rossi Stores	45	0	33,000	R.B. Shaller	2300 P. Lot Knob Rd., Mendota Heights MN 55120 (612) 452-7484	95%
36	Champion Auto Stores [7]	45	90	100,000*	Dene E. Bilbe	5520 N. U.S. Highway 169, New Hope, MN 55428 (612) 535-5984	95%
37	Murray's Discount Auto Stores	40	0	40,000*	Albert Pitt	21500 Trolley Ind. Dr., Taylor, MI 48180 (313) 292-2800	90%
38	Pettigrew-Smith/Dale's	37	0	33,000*	Bob Merrill	8119 Jensen Dr., Houston, TX 77093 (713) 695-3613	95%
39	Ace Auto Parts	35	0	28,000	Jeff Huenink	4750 118th Ave., N., Clearwater, FL 34622 (813) 573-2800	45%
40	Anderson Auto Parts	35	0	21,000	H.G.Anderson III	POB 767, Anderson, SC 29622 (803) 224-6321	50%
41	The Carport (Harco Drug)	34	0	20,000*	David Fuhrman	3925 Rice Mine Rd., Tuscaloosa, AL 35406 (205) 345-2400	85%
42	Davis & Wilmar	33	4	19,500*	Gary Davis	609 Epsilon Dr., Pittsburgh, PA 15238 (412) 963-7776	35%
43	Keenan Auto Parts	32	0	16,000*	Frank Ahouse	112 N. Front St., Albany, GA 31703 (912) 432-6241	5%
44	Benny's	29	12	25,000*	Malcolm C. Bromberg	340 Waterman Ave., Esmond, RI 02917 (401) 231-1000	95%
45	Twin "B" Auto Parts	29	0	16,000	William O'Connor	528 S. Military Hwy., Virginia Beach, VA 23464 (804) 420-3342	99%
46	Wheels Discount Auto Stores (Fay Drugs)	28	0	33,000	Gale Mitchell	4577 Buckley Rd., Liverpool, NY 13088 (315) 652-7000	95%
47	Automotive Supply Asso. Inc. (SAS Auto Parts Co.)	28	0	29,000	George Segal	129 Manchester St., Concord, NH 03301 (603) 225-4000	25%
48	Linkon's Auto Supply	28	0	25,000*	Leonard Linkon	2720 E. 2nd St., Centralia, IL 62801 (618) 533-1311	50%
49	Ben Pilla Speed Shops	28	2	12,000*	Ben Pilla	118 N. Black Horse Pike, Bellmawr, NJ 08031 (609) 931-4041	95%
50	J. Burdman Auto Parts	27	0	5,000	Larry Lamberson	801 N. Franklin St., Kirksville, MO 63501 (816) 665-3787	15%

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* Automotive Marketing estimate for 1992.

[1] Includes Checker/Schuck's/Kragen, Auto Works, U-Save, and Crown Auto

[2] Includes company-owned stores only with tire stores included

[3] Includes Giant Auto, Motormart, National Auto, Rose Auto, R&S Strauss, and Strum Auto

[4] Includes National Automotive Superstores, Save Auto Stores

[5] Includes Al's Auto Supply and Grand Auto

[6] Includes Fischer's Auto Parts

[7] Includes company-owned stores only; with franchises total is much greater

[8] Includes All Parts Automotive, Inc., Short's Auto Parts, Tony's Parts & Accessories

TOP RETAIL CHAINS

Among the largest chains that specialize in selling to the DIY customer, there's a new face this year which is actually an old face with a new name. It's WSR, which is made up of Whitlock, Rose, and R&S/Strauss. This combination made the 1989 Top 100 list as the seventh largest chain under the name of its then British owner, the Ward White Group. However, last year, it was broken down into its components, following its management reorganization and sale to American owners.

Because of the addition of WSR, Discount Auto Parts, which had been on the 1991 list of ten largest retailers, did not appear on the current largest ten list. The chain is, however, still one of the largest players in the field.

Other than that, in a year of slight changes and slow growth, the 1991 and 1992 lists are virtually identical.

THE *AM* TOP TEN RETAIL CHAINS

(Chains doing 90% or more retail/DIYer sales, based on their reported number of stores; showing their place on Top 100 list.)

List #	Chain	100 List #	% DIY	Address
1	Northern Automotive	1	95%	645 Missouri Ave., Suite 400, Phoenix, AZ 85012
2	AutoZone	2	95%	3030 Poplar Ave., Memphis, TN 38111
3	Chief Auto Parts Inc.	4	95%	15303 Dallas Pkwy, Ste 800, Dallas, TX 75248
4	Western Auto	5	95%	2107 Grand Ave., Kansas City, MO 64108
5	The Pep Boys	6	99%	3111 W. Allegheny Ave., Philadelphia, PA 19132
6	Trak Auto	7	95%	3300 75th Ave., Landover, MD 20785
7	WSR	8	95%	9A Brickyard Rd., South River, NJ 08882
8	Nationwise Automotive, Inc.	9	95%	3750 Courtright Ct., Columbus, OH 43227
9	Advance Stores Co.	10	99%	1342 West Eighth, Roanoke, VA 24015
10	Super Shops	11	95%	620 Newport Center Dr., Ste 860, Newport Beach, CA 92660

THE 1992 *AM* LARGEST 100 AFTERMARKET CHAINS

Rank	Chain	# of Stores	# of Bays	$ Sales (+000)	CEO	Address and Phone	% of DIY
51	Barnes Motor & Parts Co. Inc.	27	0	24,000*	Robert E. Kirkland, Jr	315 E. Barnes St., Wilson, NC 27893 (919) 243-2161	25%
52	One Stop Auto Parts	26	0	20,000	Gerald Klein	1113 62nd Ave. N., St. Petersburg, FL 33702 (813) 522-2897	90%
53	Parts City, Inc. (Alex. Seewald)	26	0	13,000	R. Jack Alexander, III	515 Wharton Circle, S.W., Atlanta, GA 30336 (404) 352-0146	99%
54	Auto-Wares	25	0	60,000	Fred A. Bunting	440 Kirtland, S.W., Grand Rapids, MI 49507 (616) 243-2125	30%
55	ITM Automotive Parts	25	0	26,000	John Kenney	13140 Alondra Blvd., Cerritos, CA 90701 (213) 926-6582	35%
56	Motor Bearings & Parts Co. (CJS, Inc.)	25	0	12,000	Bill White	427 S. Dawson St., Raleigh, NC 27602 (919) 832-3961	27%
57	Bennett Auto Supply, Inc.	24	0	24,000	Allen Bennett	1099 E. Oakland Park Blvd., Oakland Park, FL 33334 (305) 565-4636	50%
58	Automotive One Parts Stores	24	0	15,000	Robert H. Gentry III	701 W. Church St., Orlando, FL 32802 (407) 422-1110	45%
59	Belbro Discount Auto Parts (Alabama Crankshaft & Engine)	24	0	11,000	Bert Seigel	1432 Mims Ave., Birmingham, AL 35215 (205) 925-4616	40%
60	Himel Auto Parts/Motor Supply	23	0	26,000	Kent Himel	318 W. Simcoe St., Lafayette, LA 70501 (318) 235-1558	30%
61	Mid-State Automotive	23	0	23,000*	Phil Brandenburg	POB 555035, Orlando, FL 32855-5035	35%*
62	Allied Auto Parts Co.	23	0	14,000*	Daniel Sennet	43 N. Montello St., Brockton, MA 02401 (508) 588-8500	30%
63	Kirkham Auto Parts	23	0	10,000	Michael Kirkham	POB 718, Blackfoot, ID 83221 (208) 785-2902	50%
64	AEW (DAPS)	22	0	25,000	Martin Sharron	604 N. Pace Blvd., Pensacola FL 32505 (904) 434-6484	75%
65	Beacon Auto Parts Co.	22	0	22,000	Fred J. Pisciotta	6013 Enterprise Dr., Export, PA 15632 (412) 733-7077	35%
66	Foreign Autopart Inc.	22	0	21,000	Steve Patkin	1205 Route One, Sharon, MA 02067 (617) 784-1111	30%
67	VIP Discount Auto Center	21	69	20,500	Thomas O. Auger	12 Lexington St., Lewiston, ME 04240 (207) 784-5423	99%
68	Acme Auto Supply, Inc.	21	0	20,000	James Fine	620 R. Oakwood Ave., West Hartford, CT 06110 (203) 246-2540	30%
69	Cardis	21	0	19,000	Kenneth D. Walker	6240 Desconso, Buena Park, CA 714-739-5561	40%
70	All-Car Automotive Centers	20	44	20,000	Lester R. Cigel	1520 S. Superior Ave., Antigo, WI 54409 (715) 623-3791	80%
71	Arnold Motor Supply	20	0	16,500	Milo Allen	110 W. 4th, POB 5008, Spencer, IA 51301 (712) 262-4287	20%
72	Royal Auto Supply	20	0	15,000	Jon Sienn	Twin Park Industrial Center, Colmar, PA 18915 (215) 822-1359	95%
73	Sturdevant's Inc.	20	1	14,000	Jack Sturdevant	POB 948, Sioux Falls, SD 57101 (605) 336-0678	30%
74	688 Parts Service, Inc.	20	0	12,000	George E. Tricou Jr.	9126 Green Springs Rd., Baton Rouge, LA 70821-1749 (504) 924-6888	25%
75	Erlich/Airland Auto Parts [11]	20	0	18,000*	Herbert August	POB 277, Albany, NY 12202 (518) 449-1176	40%
76	Gatling's Auto Stores	20	5	10,000*	Albert C. Premus	117 W. Peach St., Connellsville, PA 15425 (412) 628-3340	90%
77	The Flowers Co.	19	0	12,000	John R. Flowers	POB 1118, Hickory, NC 28603 (704) 322-5414	25%
78	Loe's Parts Plus Autostores	19	0	10,000	John Loe	POB 700, De Kalb, TX 75559 (903) 667-2541	40%
79	Molin Auto	18	0	23,000	Kim E. Molin	3896 Union Rd., Buffalo, NY 14225 (716) 633-4455	15%
80	Auto Parts World	18	0	16,000*	Andrew Dabrowski	1176 W 14 Mile Rd., Clawson, MI 48017 (313) 288-0845	90%
81	Rodefeld's	18	0	12,000	Charles A. Rodefeld	96 W. Main, Richmond, IN 47374 (317) 935-7626	50%
82	Milford Auto Parts	17	0	17,000*	Marc Mann	POB 519, Woonsocket, RI 02895 (401) 769-7628	40%
83	National Auto Supply	17	0	17,000*	Clifford Shanfeld	8514 Eager Rd., St. Louis, MO 63144 (314) 968-8511	5%
84	H.E. Everson Auto	17	0	8,000	Kirk Sand	2904 Gateway Dr., Grand Forks, ND 58201 (701) 772-4839	25%
85	National Auto Stores	16	0	11,000	David M. Stein	2342 North Penn Rd., Hatfield, PA 19440 (215) 997-1300	70%
86	E. Blankenship & Co.	16	0	8,500	Clarence "Penny" Bagby	704 W. Main, Marion, IL 62959 (618) 993-2643	30%
87	Main Auto Parts	16	0	16,000*	Bart Weprin	1422 N. Main, Dayton, OH 45405 (513) 277-7393	20%
88	Gillman Auto Parts	15	150	30,000	Ramsay Gillman	7611 Bellaire, Houston, TX 77036 (713) 776-7000	10%
89	Parker Auto Supply	15	0	15,000*	W.W. Parker	POB 760, Sumter, SC 29151 (803) 775-6721	10%
90	Von Housen Auto Parts	15	0	12,000	Robert Neeley	2633 Alta Arden, Sacramento, CA 95825 (916) 362-0691	50%
91	Jarvis Supply Co.	15	0	11,000	Chris Jarvis	516 Main St., Winfield, KS 67156 (316) 221-3113	25%
92	Auto Parts of Wichita	15	0	9,000	Dennis Stein	1111 S. Rock Rd., Wichita, KS 67207 (316) 685-6242	40%
93	BWP [7]	14	0	26,000*	Neil Stokel	1055 Bronx River Ave., Bronx, NY 10472 (212) 991-9000	1%
94	Motor Supply Warehouse	14	0	25,000	Beryle M. Blanchard	1502 13th St., Box 7, Belle Plaine IA 52208 (319) 444-2754	30%
95	Scherbas Auto Stores, Inc.	14	0	16,000	Ted R. Scherba	POB O, CA 94402 (415) 342-9415	60%
96	Southern Auto Supply	14	0	14,000	Don W. McMurtrey	200 Sonora St., Bakersfield, CA 93303 (805) 327-0288	35%
97	Parts Wholesalers, Inc.	14	0	14,500*	John B. Darling	POB 1239, Bangor, ME 04401-1239 (207) 941-1230	30%
98	Hapco Auto Parts	14	0	10,000	Richard Halpern	POB 311, Hoyoke, MA 01041 (413) 538-8225	25%
99	Darling's Auto Parts	14	0	10,000	Earl G. Seymour	155 Perry Rd., Bangor, ME 04401 (207) 941-1230	35%
100	Bond Auto Parts, Inc.	14	0	8,000	George F. Bond	45 Summer St., Barre, VT 05641 (802) 476-3108	35%
	TOTALS	8,391	7,602	9,025,814*			

* Automotive Marketing estimate for 1992

[7] Includes company-owned stores only: with franchises total is much greater

TOP JOBBER CHAINS

We've merged the lists we produced last year of top jobber chains and program members because essentially they're the same list. NAPA (Genuine Parts), Federated (Fisher and Sieg), Carquest (General Parts and Stafco), Big A (APS), and Auto Value (Advantage) are represented by chains here which own stores selling to professional installer customers.

As well, in this period of the whole aftermarket merging into one identity, these chains also have significant retail sales. Indeed, most make at least a quarter of their sales to walk in trade, mostly DIYers searching for parts that aren't usually stocked in their local discount stores. Indeed, only Sieg of the whole list says that their sales to non-professional customers are minimal at best. Even so, they all define themselves as being in the jobber end of the aftermarket, rather than being retailers *per se*.

THE *AM* TOP TEN JOBBER CHAINS

(Chains doing 60% or more wholesale sales; showing place on Top 100 list.)

List #	Chain	100 List #	% Whsle	Address and Phone
1	Genuine Parts	3	70%	2999 Circle 75 Pkwy., Atlanta, GA 30339 (404) 953-1700
2	Fisher Auto Parts	12	80	512 Greenville Ave., Staunton, VA 24401 (703) 885-8901
3	General Parts	14	80	2635 Millbrook Rd., Raleigh, NC 27604 (919) 876-9813
4	Parts Plus Autostore (Parts, Inc.)	16	65	601 S. Dudley, Memphis, TN 38104 (901) 523-7711
5	Sieg Auto Parts	17	95	400 N. Main St., Davenport, IA 52801 (319) 323-3641
6	APS (Big A Auto Parts)	19	66	3000 Pawnee St., Houston, TX 77054 (713) 741-2470
7	Stratco Inc.	21	70	POB 600, San Antonio, TX 78292 (512) 226-0101
8	Republic Auto	24	60	POB 2088, Brentwood, TN 37024 (615) 373-2050
9	Advantage Auto Stores (Hahn)	25	60	415 W. Main St., Rochester, NY 14608 (716) 235-1595
10	Parts Depot/Steego Auto Parts	26	60	2177 Dale Ave., Roanoke, VA 24013 (703) 345-1001

CHAINS WITH SERVICE

Last year we reported that there had been "a tremendous growth in the number of service bays in the ten largest chains which offer professional installation and repair. . ." This year, however, retrenchment in the face of the overall poor economy has taken its toll; chains have not been building stores with bays or adding bays to older ones to any great degree.

Indeed, the total number of bays reported by the chains which have significant presence in the service business has dropped by 661 bays—from 7,502 to 6,841 bays in all. We'll be watching these numbers closely to see if this suggests a trend away from chains offering service.

It should be noted that there's been a major added player to the list of chains with service, Gillman Auto Parts of Houston, which appeared on the overall Top 100 for the first time this year.

THE *AM* TOP TEN SERVICE PROVIDERS

(Based on number of service bays operated by each chain.)

List #	Chain	100 List #	Svc Bays	Address and phone number
1	Western Auto	5	3,185	2107 Grand Ave., Kansas City, MO 64108 (816) 346-4000
2	The Pep Boys	6	2,400	3111 W. Allegheny Ave., Philadelphia, PA 19132 (215) 229-9000
3	PACCAR	15	600	1400 North 4th St., Renton, WA 98055 (206) 251-7600
4	WSR	8	168	9A Brickplant Rd., South River, NJ 08882 (908) 390-9000
5	Gillman Auto Parts	84	150	7611 Bellaire, Houston, TX 77036 (713) 776-7000
6	Quality Stores	30	100	1460 Whitehall Rd., North Muskegon, MI 49445 (616) 744-2491
7	Champion Auto Stores	35	90	5520 N. U.S. Highway 169, New Hope, MN 55428 (612) 535-5984
8	VIP Discount Auto Center	63	69	12 Lexington St., Lewiston, ME 04240 (207) 784-5423
9	All-Car Automotive Centers	66	44	1520 S. Superior Ave., Antigo, WI 54409 (715) 623-3791
10	Stratco Inc.	21	35	POB 600, San Antonio, TX 78292 (512) 226-0101
	TOTAL BAYS		6,841	

TOP SPEED SHOPS

There are actually two more stores operated by the ten largest speed shop chains combined this year than there were on last year's list. In a time when most chains are closing stores or, at best, keeping their heads above water, that's a positive sign.

In all, however, there has been little action in terms of a change in chain names or the number of stores they operate between 1991 and 1992.

It's interesting to note that, while people tend to think of speed enthusiasts being concentrated in the South, the spread of speed shop locations—from Honolulu to Maiden, MA, and from Newport Beach, CA, to Morningside, MD—indicates how widespread the hobby is. Indeed, only Seco Performance Centers is located in the traditional motor enthusiast area. There's money in selling to performance and appearance enthusiasts across the whole country.

THE *AM* TOP TEN SPEED SHOP CHAINS

(Showing percentage of retail sales)

List #	Chain	# of Stores	CEO, Address
1	Super Shops	162	Harry Eberlin, 620 Newport Center Dr., Ste 860, Newport Beach, CA 92660
2	Ben Pilla Speed Shops	28	Ben Pilla, 118 N. Black Horse Pike, Bellmawr, NJ 08031
3	Performance Centers of America	20	Donald Raleigh, 180 Whitman Ave., Edison, NJ 08817
4	Rons Auto Parts/Performance	7	Ronald Uemura, 2760 Kilihau St., Honolulu, HI 96819
5	Seco Performance Centers	5	John Simmons, 417 University Blvd., Birmingham, AL 35203
6	Speed Unlimited Inc.	5	Peter Mandes, 4771 Allentown Rd., Morningside, MD 20746
7	United Speed World	4	Terry Lewis, 734 W. Brandon Blvd., Brandon, FL 33614
8	Jeg's High Performance Centers	3	Ed Coughlin, 751 E. 11th St., Columbus, OH 43211
9	Van Iderstine Speed & Auto Center	2	Pete Van Iderstine, 245 Rt. 10, E. Hanover, NJ 07936
10	PV Performance Centers	2	Brian Peavey, 124 Eastern Ave., Malden, MA 02148
	TOTAL	238	

TOP IMPORT SPECIALISTS

With the ever-increasing number of foreign nameplates on the road, it would be reasonable to look for specialists in selling parts for these vehicles. Indeed, there are a number of chains which do specialize in parts for foreign nameplates. There are, however, fewer of these specialists than there are performance specialists, at least in terms of chains which own multiple outlets.

As may be expected, most of the import parts specialist chains are headquartered along either seaboard. There are none in the Great Plains states, where foreign nameplate vehicles are as rare as bison these days.

Interestingly, one chain on our list, headquartered in Texas, specializes in Japanese parts and accessories, while another, headquartered in Missouri, specializes in European parts and accessories. At least, that's what their corporate titles would indicate. Otherwise, the chains offer coverage of both Asian and European vehicle parts.

THE *AM* TOP TEN IMPORT SPECIALIST CHAINS

List #	Chain	# of Stores	$ Sales (+000)*	CEO and Address
1	Foreign Autopart Inc.	22	21,000	Steve Patkin, 1205 Route One, Sharon, MA 02067
2	Metro Imported Auto Parts	4	3,000	Bob Edwards, 4469 Beech Rd., Marlow Heights, MD 20748
3	Japanese Auto Parts	4	2,000	Bill Denny, 10711 E. Northwest Hwy., Dallas, TX 75238
4	Discount Import Parts Inc.	4	1,500	Bruce Marshall, 2704 E. 22d St., Tucson, AZ 85713-2006
5	Wip Imported Auto Parts	4	1,200*	William Lilly, 4225 Poplar Level Rd., Louisville, KY 40213
6	Foreign Machine & Parts	3	3,000	Al Walden. 3313 Jackson Ave., Memphis, TN 38122
7	European Car Parts	3	2,000	Larry Hatridge, 1015 McCausland Ave., St. Louis, MO 63117
8	Olympic Import Parts	3	3,000*	W. Michael Brown, 5168 Eisenhower Ave., Alexandria, VA 22304
9	Roger's Foreign & Domestic	2	2,000	David Murphy, 111 High St., Pottstown, PA 19464
10	Rally Import Auto Parts	2	960	Ken Niebling, 880 E. Oakland Park Blvd., Ft. Lauderdale, FL 33308
	TOTALS	51	39,660	

$3.50

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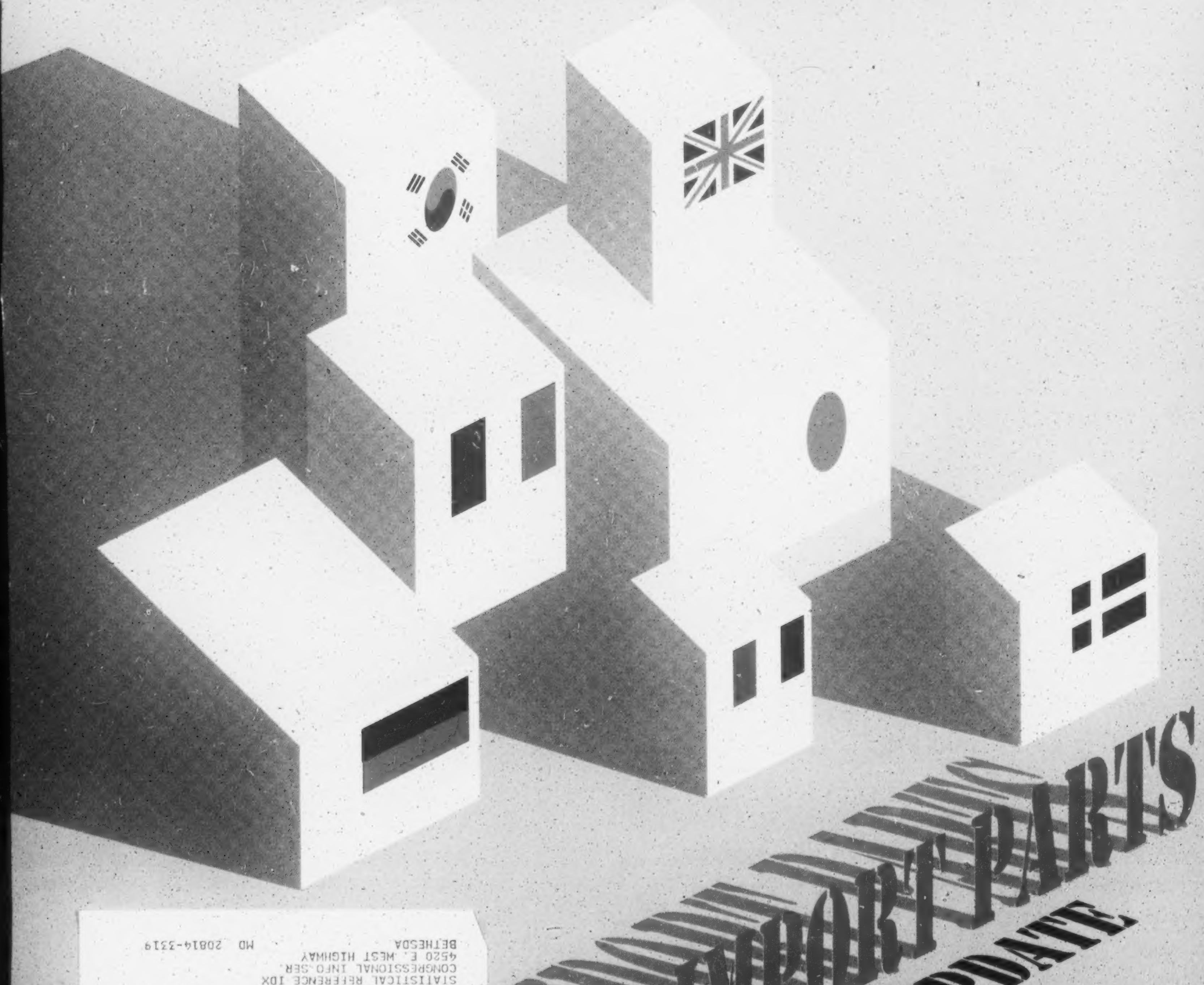
Uniquely Positioned To Serve The Merging Retail And Traditional Aftermarkets

August 1992



IMPORT PARTS

AN UPDATE

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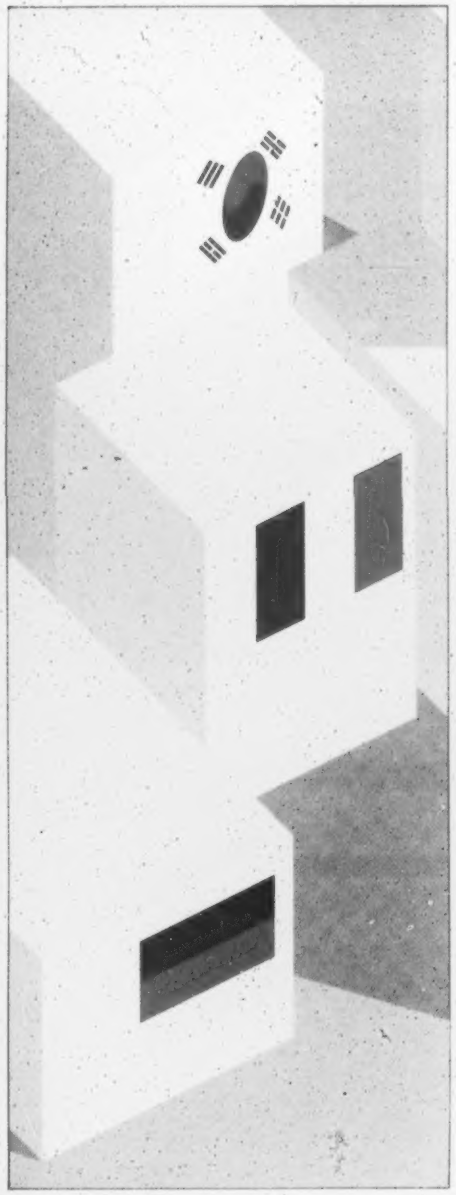
AUGUST ISSUE/VOLUME 21,NUMBER 8



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This unique five-store chain has debuted an ambitious franchise program.

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
Donald W. Chestnut; Sr. V.P. Operations/Admin.
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BPA

JESSE H. NEAL
AWARD-WINNING
PUBLICATION
FIVE OUT OF
EIGHT YEARS

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MARKET LINE

A New Light on Peterson Manufacturing

Quick, what do a Cat bulldozer, Harley Davidson motorcycle, and the new Dodge Viper supercar have in common? Stumped? The answer is that Peterson Manufacturing is an OE supplier for lighting products to the makers of these three diverse vehicles. Surprised, so were we after a recent visit to Peterson's newly renovated headquarters in Grandview, MO.

Heretofore, our fuzzy impression of Peterson was of a small, "Show Me" state manufacturer cranking out lights for the automotive and marine markets. Like most in the aftermarket, we weren't aware that Peterson's manufacturing and warehousing operations were state-of-the-art computer managed. Just-in-time (JIT) manufacturing follows an item from raw materials at one end to finished, packaged, and addressed item out the other end. Or, that computer-assisted-design and 25%-better than Department of Transportation specifications and testing assure product quality.

And, there's more to the company that employees and customers alike don't realize. Most are amazed to learn that Peterson Manufacturing and Anderson Marine, manufacturers of safety lighting, reflectors and mirrors, together accounted for less than 60% of the Peterson Corporation's annual sales. Peterson has substantial holdings in a variety of industries.

- Peterson Manufacturing is a leading manufacturer of vehicle lights, reflectors and mirrors for the automotive and heavy truck markets.
- Anderson Marine manufactures safety lighting and accessories for the marine industry.
- Kansas City Aviation Center (KCAC), a full-service fixed base operation (FBO) at the second busiest airport in Kansas.
- D & D Aviation specializes in corporate air management for corporate travel needs.
- Transworld Products, Inc. is an international sourcing company that oversees product development, vendor negotiations, quality inspection, shipment routing and related services to companies seeking overseas products. Industry veterans staff offices in Taiwan, Hong Kong, and at Peterson headquarters.
- Renzenberger, Inc. provides crew transportation services to railroads.
- Mission Plastics North and Mission Plastics of Arkansas supply both Peterson and outside companies with plastic products.

Newly renovated company headquarters in Grandview, Missouri house over 350,000 square feet of corporate offices, manufacturing and warehouse space on 44 acres of land, and the Mission Plastics of Arkansas plant located in Nashville, Arkansas provides Peterson with additional manufacturing space. Total sales for the Peterson Corporation reached well over $75 million in 1991.

In October of 1956, Don R. Armacost, a young businessman from Kansas City, purchased a small vehicle lighting enterprise for the sum of $350,000, 86% of which was borrowed capital. The company, Peterson Manufacturing, specialized in the manufacture of safety lighting products for the automotive and heavy duty markets and tallied sales averaging $756,000 annually. Western Auto was Peterson's largest account, comprising about 40% of the company's business, and the remainder were outlets much like Western Auto. Within the first year, Mr. Armacost succeeded in boosting total sales to over $1,000,000, a 25% increase over the previous year, and soon began looking for ways to expand.

OE involvement came in the early 1960s with the invention of an innovative light socket, developed by Mr. Armacost and his chief engineer, that greatly extended the life of bulbs used for truck lighting. The recent switch from six to 12-volt electrical systems, created a problem with the halved diameter of fine filament wires in 12-volt bulbs. Bulb life was reduced, and costs increased dramatically.

The Vibar shock-mounted socket created by Peterson Manufacturing, however, countered the effects of road shock and vibration, significantly prolonging bulb life. Peterson obtained a patent on the Vibar socket and shortly afterward acquired its first major OE customer, Trailmobile. The rest is history, and Peterson was on the road to increased sales and diverse markets.

The Armacost family has remained at the helm of the Peterson Corporation these past 36 years, with Don Armacost, Sr. Chairman, son Don Jr. as President and CEO, and son David as Executive Vice President—Operations. Despite enormous growth, Peterson has maintained the mentality and modus operandi of a family business, and progressive employee benefit programs such as profit sharing, guaranteed education funding and job rotation contribute to a nearly zero job turnover rate.

For example, employees participating in the Employee Stock Ownership Plan, together with executives who have been allowed to purchase shares of company stock, will own nearly 30% of Peterson Manufacturing within a few years time. In the area of education, Peterson maintains a scholarship fund that awards $2,000 per year for four years towards the college tuition costs of employee children. Peterson associates who pursue job-related coursework or degrees are fully reimbursed for tuition.

Don Armacost, Jr. explained why Peterson has been somewhat reluctant to play up its rank as a major-league corporation, one of the big boys. "It probably has more to do with personal style than anything else. My father, and his before him, has always been low key, preferring to let actions and accomplishments speak for themselves. It is a fact that not too many years ago we were a small company in comparison to most of our competitors."

"Our goal to be the very best at everything we do has fueled growth and acquisition opportunities, and we have been fortunate to be able to capitalize on them. We have enjoyed a strong balance of planned growth and raw opportunism that has provided us with some unique situations over the last few decades."

As the lighting business picked up throughout the 1960s and Peterson's manufacturing capacities grew, so did the need for a reliable, cost-efficient supplier of uniform, high-quality engineering plastic products. Mission Plastics was established in 1968 for that purpose. The company now does fully two-thirds of its business with outside customers. Annual sales are 18% of Peterson corporate revenues.

Drawing on Peterson's expertise in the areas of computerized inventory, scheduling and quality control, Mission Plastics is able to tailor its production schedule to the Material Requirement Planning (MRP) and JIT planning schedules of each client, and the company's in-house engineering department specializes in building quality molds from the most exacting customer plans.

Additionally, Mission Plastics has initiated a pro-active plastics recycling program that is in keeping with Peterson's profile as an environmentally conscious manufacturing company.

Transworld Products, Inc., the newest addition to the Peterson family, is an acquisition which reflects the company's desire to become a key player in an increasingly global marketplace. Attractive profit incentives have prompted growing numbers of American manufacturers to seek overseas manufacturing capability, yet most have almost no global experience.

Sourcing companies like Transworld Products rely on an extensive international network of product sourcing and marketing specialists to provide American companies with product development and distribution support. Mr. Armacost explained, "By combining our product manufacturing capabilities and advanced engineering technology with the international operations of Transworld, we will be able to add many new product offerings while enhancing the services both Transworld and Peterson can provide to their customers."

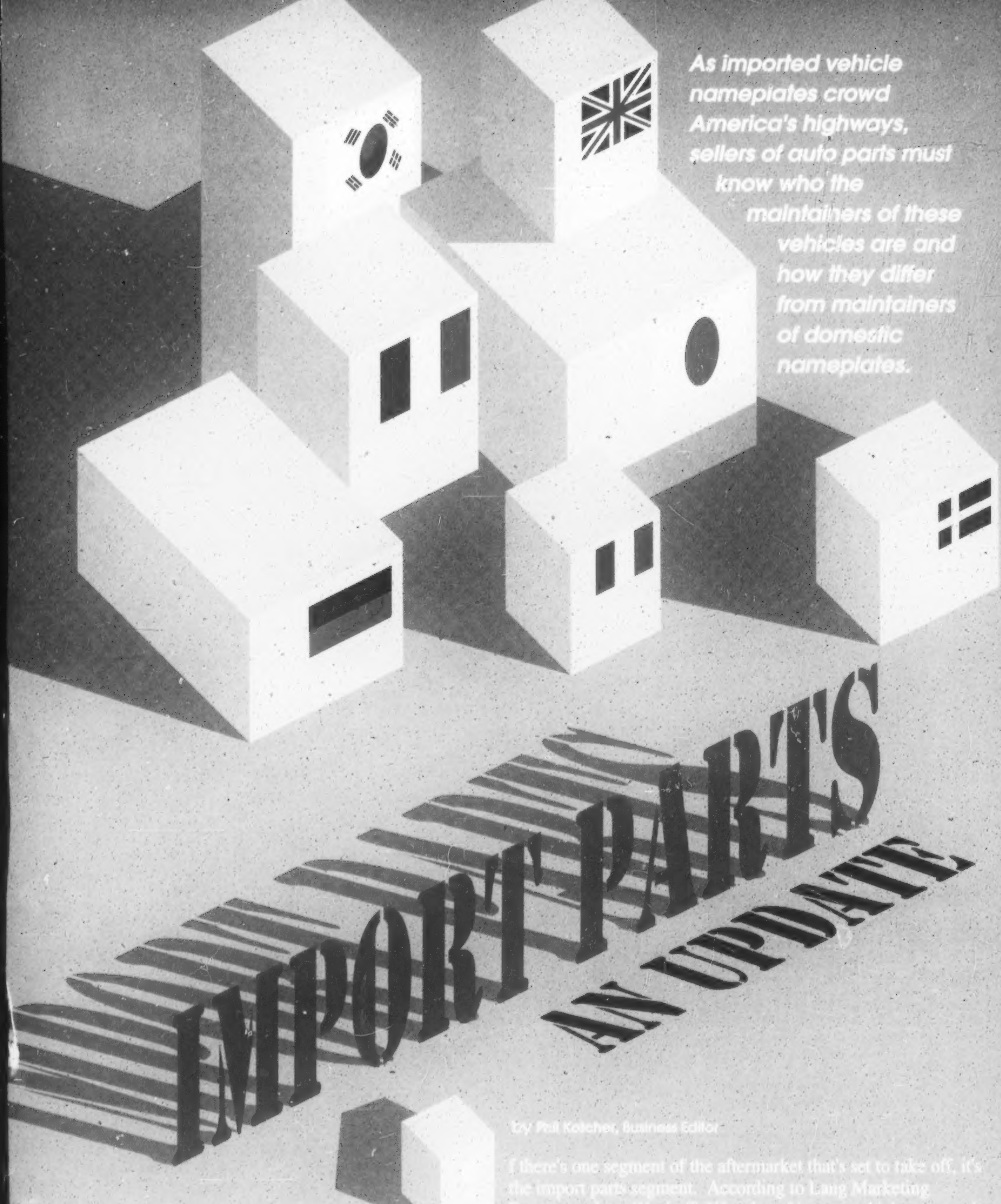
Even though Peterson's been recognized as a substantial aftermarket player, it's not likely to lose the traditions and values that have propelled it from a small family business to a multi-industry corporation. ■

Top 100 Chain Updates

Information on several chains should be added to or changed on our 1992 Top 100 list (July). They are:

- Worldwide Auto Parts, Inc. has 33 stores, seven service bays, and had annual sales of $19,000,000. Jim Foos is COO, 95% of its business is retail, and the address and phone number are 87 Brooklyn Ave., Youngstown, OH 44507 (216) 782-2204
- AutoZone reports that its fiscal year ended August 29, 1992 with 12-month sales of $911,743,000. The chain now operates 644 stores, having just opened its first one in Wisconsin. ■

As imported vehicle namepiates crowd America's highways, sellers of auto parts must know who the maintainers of these vehicles are and how they differ from maintainers of domestic nameplates.



IMPORT PARTS

AN UPDATE

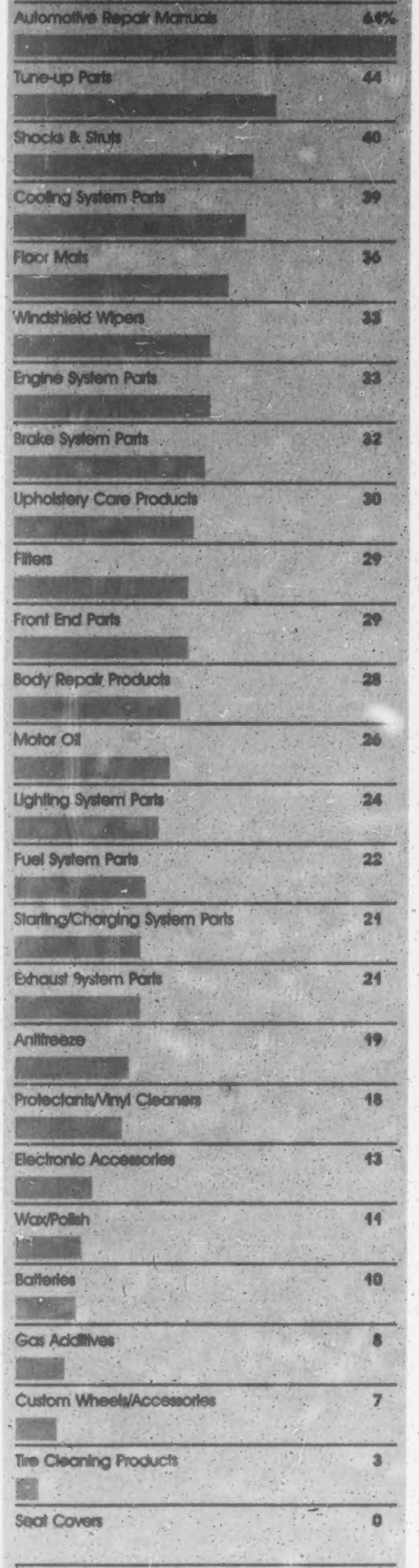
By Phil Ketcher, Business Editor

If there's one segment of the aftermarket that's set to take off, it's the import parts segment. According to Lang Marketing Resources, Inc., Wyckoff, NJ, sales of import vehicle parts and accessories in the five years before 1995 will soar 55%. In dollar terms, James A. Lang, the firm's president, says that this means a jump of some $7.8 billion over the five year period. By 1996, the aftermarket will see import parts and accessories sales of some $21.6 billion at user level in current dollars.

(Circle 12 on Product Information Card ▸)

WHERE IMPORT MAINTAINERS BUY: DEALERSHIPS

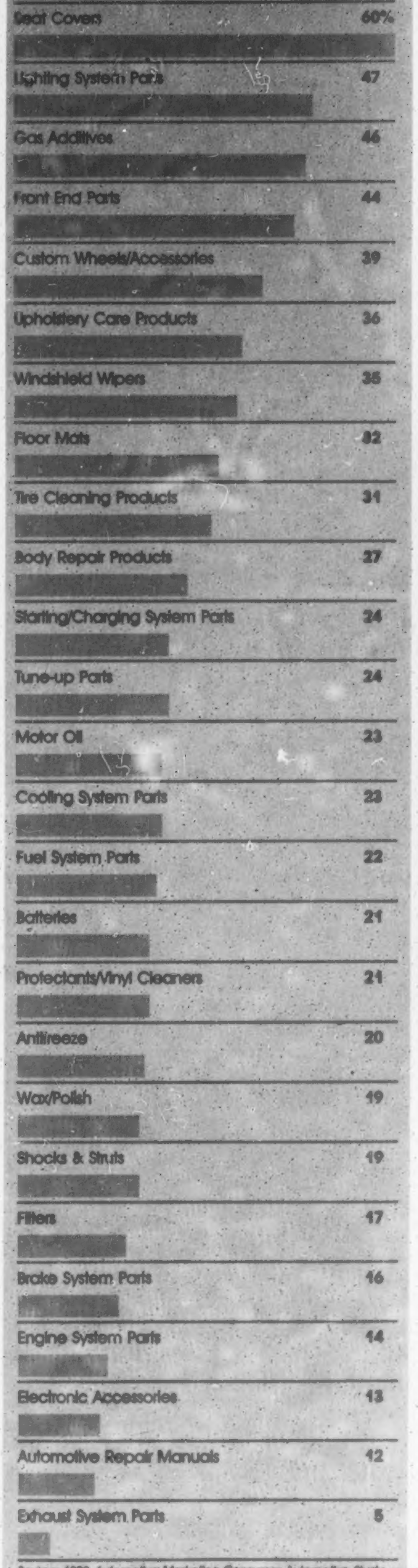
Tradition has it that most import maintainers return to the dealer more than do domestic car maintainers. We asked individuals who said they were responsible for maintaining a vehicle with an import nameplate where they bought products for that vehicle over the course of the previous year. Then we broke out the products purchased at some sort of dealership.



Source: 1992 *Automotive Marketing Consumer Automotive Study*

WHERE IMPORT MAINTAINERS BUY: AUTO PARTS STORES

We asked individuals who said they were responsible for maintaining a vehicle with an import nameplate where they bought products for that vehicle over the course of the previous year. Then we broke out the products purchased at some sort of auto parts store, both jobbers and jobber/retailers.



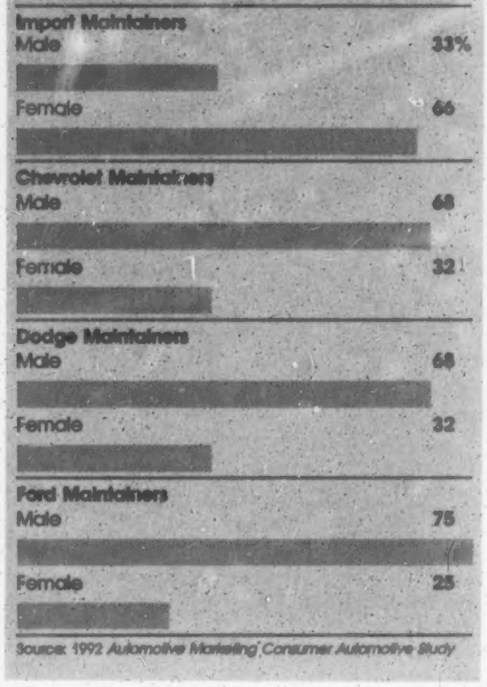
Source: 1992 *Automotive Marketing Consumer Automotive Study*

But jobbers and retailers can't just stock an additional inventory of import parts and accessories and expect to keep up with the booming market. It just isn't the cars that are different; with the growth of sales of import products, the whole way of doing business is a whole new ball game. "Growth of the foreign vehicle aftermarket will radically change the consumption patterns of aftermarket products," said Lang, "as well as where aftermarket parts and service are purchased."

The reason for these changes is that the end user – the import vehicle maintainer – is different, acts differently, buys different products, and patronizes different outlets than the domestic nameplate maintainer.

GENDER

A comparison of the maintainers of import nameplate vehicles vs. those who maintain Chevrolets, Dodges, and Fords. Import maintainers tend to be female.



Source: 1992 *Automotive Marketing Consumer Automotive Study*

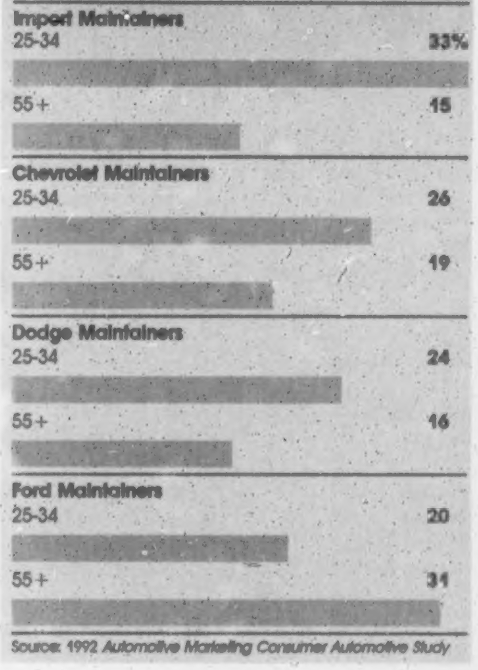
The Different Import Maintainer

Elmo Jones, Western Auto, Carmi, IL, is one retailer who already sees what the differences are between how owners of import nameplate and domestic nameplate vehicles maintain their vehicles. "It seems like the younger and more influential people buy the import and they tend to have more money to maintain them." They're also more "meticulous" says Harold Stein, Hi-Gear, Capital Heights, MD.

Are they younger? When we compare 1992 *Automotive Marketing Consumer Automotive Repair Study (CARS)* data for all maintainers of all sorts of vehicles, from domestic off-road vehicles like Jeeps to high-priced luxury vehicles like Infinitis, to just those who maintain im-

AGE

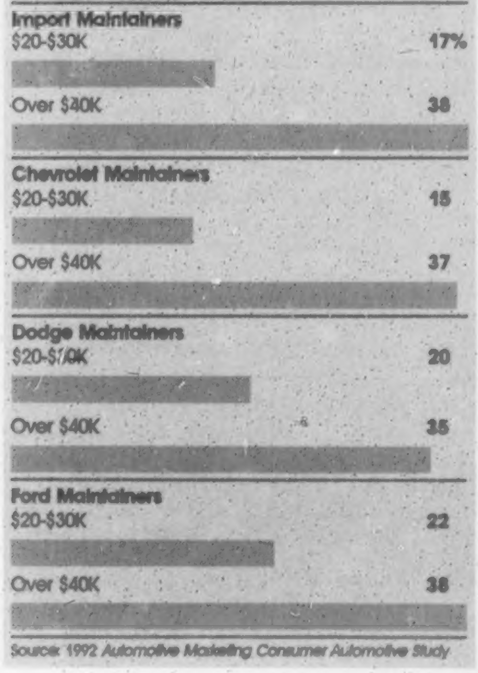
A comparison of the maintainers of import nameplate vehicles vs. those who maintain Chevrolets, Dodges, and Fords. Import maintainers tend to be younger.



Source: 1992 *Automotive Marketing Consumer Automotive Study*

INCOME

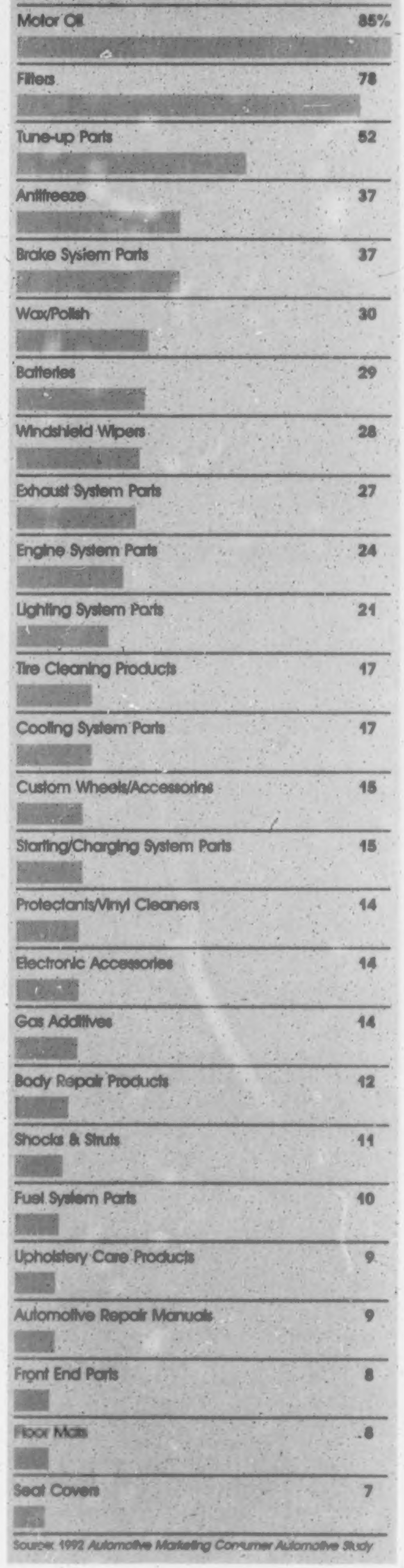
A comparison of the maintainers of import nameplate vehicles vs. those who maintain Chevrolets, Dodges, and Fords. There's virtually no difference in income levels.



Source: 1992 *Automotive Marketing Consumer Automotive Study*

WHAT IMPORT MAINTAINERS BUY

We asked what individuals who said they were responsible for maintaining a vehicle with an import nameplate bought for that vehicle over the course of the previous year.



Source: 1992 *Automotive Marketing Consumer Automotive Study*

ported nameplate vehicles we do see some differences by age. While 19% of all maintainers are over 45 years old, only 14% of import vehicle maintainers are in the same age bracket. While 5% may not seem like much, when one considers that import vehicle maintainers are included in the 19%, and by themselves the percentage is lower, it's easy to see that the percentage of domestic vehicle maintainers in this age group has to be significantly higher. At the same time, almost half (45%) of import vehicle maintainers are under 34 years of age, while only 34% of all vehicle maintainers fall in this younger age group.

How about more "influential?" Well, if money means influence, they probably aren't in any significant numbers. According to the *CARS* data, 38% of all import nameplate vehicle maintainers have annual household incomes of over $40,000. This compares to all vehicle maintainers—both domestic and import combined—who have an annual household income of over $40,000. They make up 34%—only a 4% difference, which, given the margin of error in the study suggests that the difference is slight at best.

If education means influence, however, they probably are. In all, 42% of import nameplate maintainers are college graduates, compared to 31% of all vehicle maintainers—and that is a significant difference.

They are indeed a younger and somewhat more influential maintaining group—and that means they'll be in the aftermarket longer than the average domestic vehicle maintainer will be. The maintaining and buying patterns they have now will be those which come to dominate the aftermarket in years to come.

"The import-only maintainers seem several notches above domestics-only in care," says Art Badgley, Art's Precision Automotive, Godfrey, IL. "They're very careful."

Indeed, according to figures gathered for the *CARS*, only 7% of import vehicle maintainers said they bought no new parts, chemicals, or accessories for their vehicle during the previous 12 months. However, 11% of all vehicle maintainers bought nothing for their vehicles during the same period. As well, 11% of all maintainers bought only one product for their vehicle, while only 7% of import maintainers bought only one such product.

What this means is that generally import vehicle maintainers are less apt to ignore their vehicles' needs and buy at least what's needed to keep the vehicle going.

Are They DIYers Or Not?

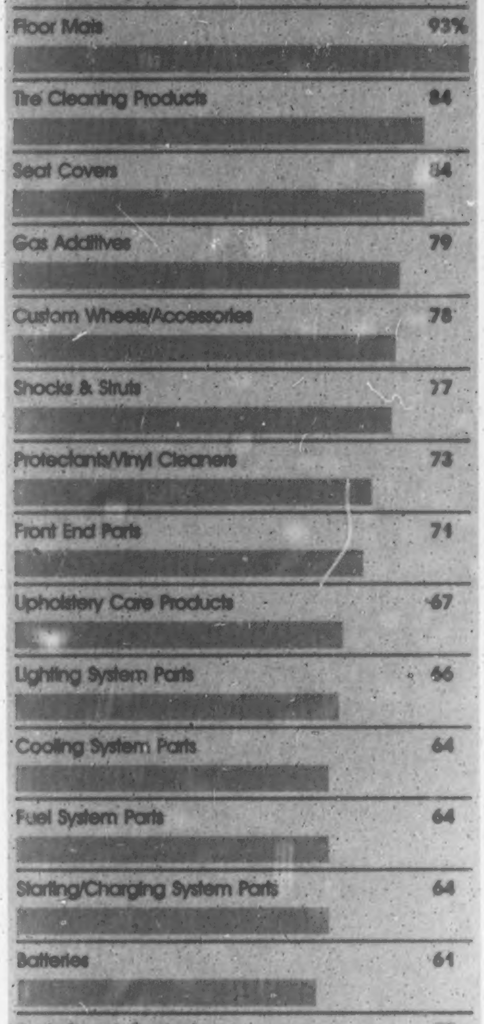
Conventional wisdom is, however, that overall they don't install the products they buy themselves, but get the work done professionally. Curt Hottle, Sidney Auto Parts, Sidney, OH, notes that most imported vehicle maintainers return to the original new car dealer to get work done on the vehicle. "There are not many DIYers unless their cars are six or more years old," he says.

The *CARS* data show this. In all, 20% of vehicle maintainers overall say they're non-DIYers, while 23% of import vehicle maintainers are non-DIYers. At the other end of the scale, the big spenders in auto parts stores, the dedicated DIYers are more domestic vehicle maintainers. In all, 16% of all vehicle maintainers are dedicated DIYers, while only 3% of import vehicle maintainers are DIYers.

While this may not be great news for the average retailer whose main business is selling parts across the counter to DIYers, it's great news for jobbers selling import parts and accessories to professional installers. Those import

WHAT IMPORT MAINTAINERS INSTALL

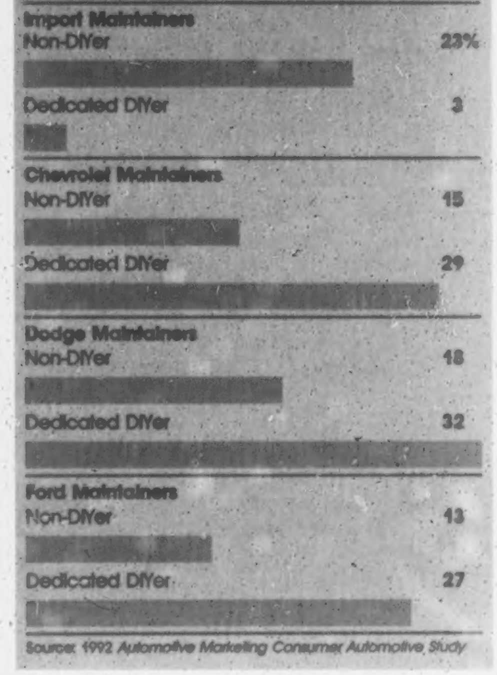
We asked what individuals who said they were responsible for maintaining a vehicle with an import nameplate bought and had DIY-installed, as opposed to having professionally installed, in that vehicle over the course of the previous year. Jobbers, of course, should concentrate on products which buyers tend not to install themselves, while retailers should stock products from the top of the list.



Source: 1992 Automotive Marketing Consumer Automotive Study

DIY OR NOT

A comparison of the maintainers of import nameplate vehicles vs. those who maintain Chevrolets, Dodges, and Fords. It's good news for professional installers specializing in import nameplates and retailers of domestic parts to DIYers.



Source: 1992 Automotive Marketing Consumer Automotive Study

car drivers who you see driving past your store doors are buying parts and accessories for those Jags and Mazdas; they're just buying them from an installer rather than putting them on themselves.

And, they may be having those parts put on less frequently than do maintainers of domestic vehicles. A recent survey conducted by AutoVantage, Stamford, CT, indicates that 68% of car owners believe that domestic nameplate vehicles require more frequent servicing then do foreign nameplates.

Europe vs. Asia

But, that's a blanket statement, and, like most blanket statements, it's only partially correct. There are real differences in installation behavior—DIY vs. non-DIY—among import nameplate maintainers. There's a basic difference between European nameplate owners and Asian nameplate owners that leads them to handle vehicle maintenance differently. "European car owners are car buffs," says Louis S. Wilson, C.W. Douglas, Inc., Buzzards Bay, MA. "Japanese customers are looking for value."

Norman Meinke, 2-M Auto Supply Inc., Lowell, AR, agrees. "The European owners are more particular with their vehicles," he says. As well, says M.L. Movey, Hub Tire Co., Norristown, PA, "European maintainers are more maintenance-conscious."

"European car owners tend to utilize dealer services more as their vehicles are generally more expensive types," says J.D. Carlon, Arnold Auto Supply, Arnold, CA. "Japanese cars are definitely the most predominant so parts are more readily available for DIYers. A good many of the imports in our area are out of warranty so the average owner does his own maintenance." As well, he adds, "we are also 80 mile from the nearest import dealer—so that helps."

In looking at the maintainers of Volvos, the largest single group of European nameplate maintainers surveyed in the 1992 *CARS*, we see that they are about evenly divided between male and female, but all are aged between 25 and 44 years old. They all make over $20,000 annually, with the largest group making over $40,000 in annual household income. All do some automotive DIY work. Over half, however, say they are only "light" DIYers who are only willing to do things like top off oil or antifreeze.

The vast majority of maintainers of Mercedes, Jaguar, and Volkswagens were also men—and men are traditionally more aware of vehicle maintenance. However, as one might expect, most Volkswagen drivers were medium to dedicated DIYers, while maintainers of the upmarket cars said they were either non-DIYers or light DIYers.

The bulk of European nameplates sold today tend to be larger, more expensive vehicles. Among Asian nameplates, however, although upmarket models have become increasingly popular, the bulk of sales is still of basic transportation models. And, of all subcompact and compact vehicle sales in 1990, 54% were made to women.

So its no surprise to find differences between European nameplate maintainers and Honda maintainers. In the case of Honda maintainers, three quarters are female. Almost a quarter are under 25 years old, while a third are between 24 and 34 years old. A third make less than $30,000 in annual household income, while just over a quarter makes between $30,000 and $40,000. Finally, 13% say they do absolutely no automotive DIY work themselves, while 65% say they are only "light" DIYers.

These aren't atypical Asian car maintainers. Among Toyota maintainers, 64% are female. Almost a quarter are between 25 and 34 years old, while almost a third are between 35 and 44 years old. Some 20% make less than $20,000 in annual household income, while another 38% make over $40,000. And, just over a third say they are non-DIYers, while almost half say they are only "light" DIYers.

So, get ready for the coming boom in the sales of import vehicle parts and accessories. But, be aware of the differences in the different types of buyers for them all. Be ready to sell parts and accessories for European vehicles, except for Volkswagens, through professional installers. While there may be fewer European nameplate vehicles in your area than Asian nameplates, their maintainers will often be more vehicle-conscious and have the money to spend to have them professionally maintained. Volkswagen drivers will often be DIYers who will buy across the counter.

Then, Asian nameplate drivers will often be younger, often female, who perhaps don't know as much about vehicle maintenance as other nameplate drivers, but will be concerned about vehicle maintenance and will tend to have their vehicles maintained professionally. So your sales of Asian nameplate vehicle parts and accessories wholesale should grow. ■

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Uniquely Positioned To Serve The Merging Retail And Traditional Aftermarkets

September 1992

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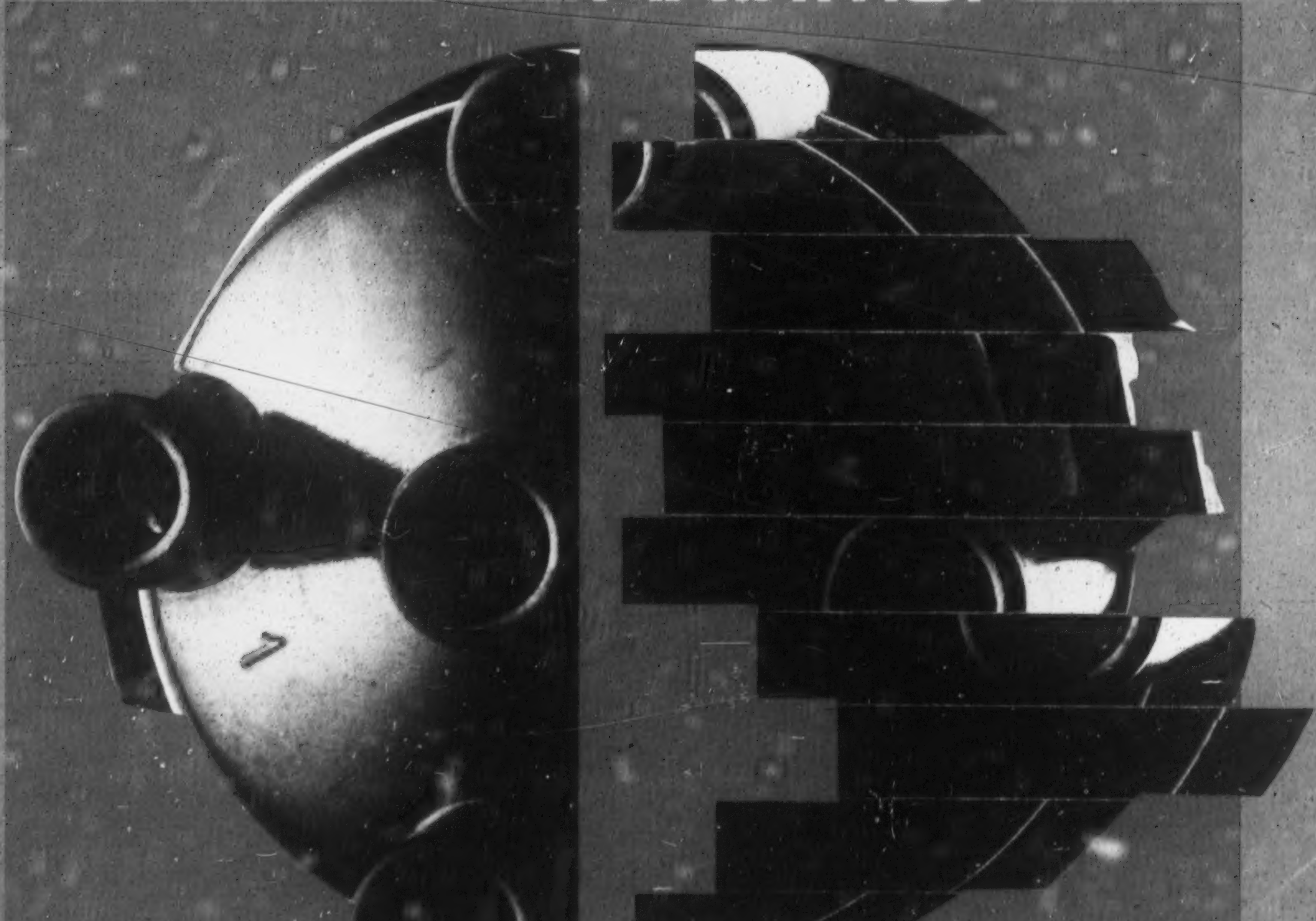

PRODUCT AFTERMARKET RESEARCH TRADE STUDY

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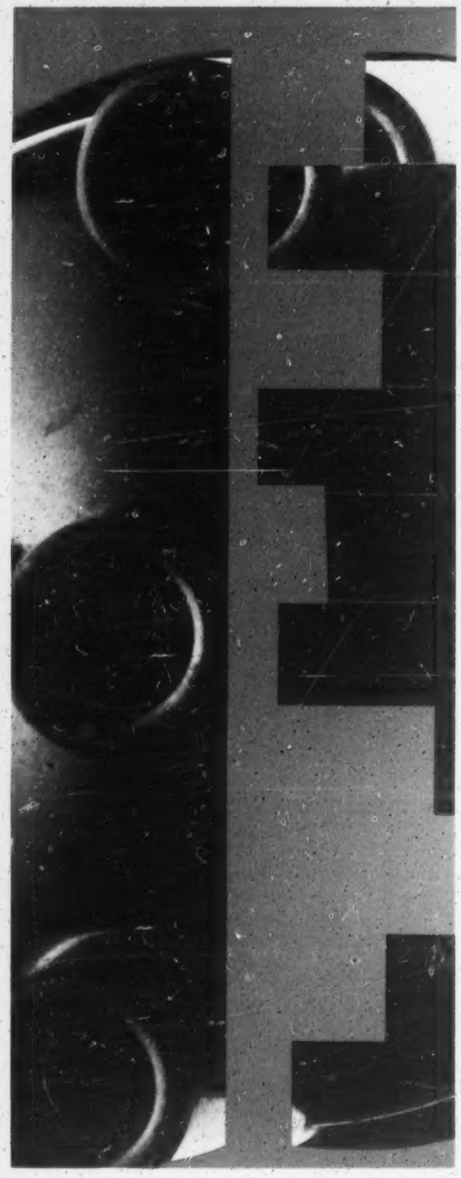

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EDITORIAL STAFF

FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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Donald W. Chestnut; Sr. V.P. Operations/Admin.
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PRODUCT AFTERMARKET RESEARCH TRADE STUDY

To learn about the performance of certain aftermarket product categories, we sent out several thousand surveys to company executives across the country. We received usable responses from 536 of them, slightly more than the 464 outlet executives who responded to a similar survey last year.

We've broken down their responses by the number of SKUs (stock keeping units, or part numbers) they stock, so that the reader's outlet can be compared in its results by product against the mean of outlets of a similar type.

Generally, we felt that outlets stocking 5,000 or fewer SKUs of automotive products were volume retailers. They are often the automotive departments of discount or department store chains or outlets such as supermarkets and hardware stores. In all, we received responses from 159 such outlets or outlet headquarters.

Many of these are traditional "mom and pop" jobbing stores. In all, over half (52%) of the outlets stocking in the under 5,000 SKU range said they were independent stores. However, 77% of those stocking in this range have only one store, presumably there's another type of outlet, perhaps a WD or service outlet, with the almost a quarter of the respondents who said they weren't independent but represented only one store.

We placed outlets stocking between 5,000 and 14,000 SKUs as typical auto parts stores, sometimes tending towards more retail sales and sometimes tending towards more jobber sales, but always with a little of both. We received responses from 56 such outlets.

Most of these outlets, by the way, were part of larger chains. In all, only 36% of our respondents stocking in this inventory range said they were independent. The rest reported to a chain headquarters.

Outlets with some 15,000 or more SKUs rate as serious aftermarket outlets. Over half of the outlets who responded to the survey who stocked this many parts (54%) said they were independent. However, while the majority of these outlets therefore have to be jobbers, there are a number of serious auto parts retailers, such as Pep Boys and Sears, with super stores stocking comfortably in this range. Therefore, one can't automatically dismiss all their sales as strictly wholesale. And the results by product category confirm this. There were, in all, a surprising 294 outlets which stocked these many SKUs in their auto parts, chemicals, and accessories inventories. ■

WHO STOCKS AUTOMOTIVE SKUs

We asked what chains considered themselves. Then we compared their own definitions with the number of automotive SKUs they stocked. "Retailers" called themselves "automotive retail chains". "Jobbers" said they were jobbers or jobber/retailers. "Indept." refers to those calling themselves "independent chains." And, "non-auto" includes chains like discount, general merchandise, and hardware store and supermarket chains, for example.

Chain type	-5M	5-14M	+15M
Retailer	4%	21%	8%
Jobber	21	36	35
Independent	52	36	54
Non-Auto	21	4	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

NUMBER OF STORES IN THE CHAINS

We asked how many stores there were in responding chains. Then we compared those answers to the number of SKUs they stocked. We got a mean number of stores categorized by SKUs stocked. This shows us that the chains stocking fewer SKUs were smaller in size than those stocking more SKUs; i.e., single store operations were not necessarily jobbers with a deep inventory.

Chain type	-5M	5-14M	+15M
# of stores	3	29	18

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

AUTO PRODUCT SALES

We asked responding chains what percentage of their sales were created by selling automotive products. The results were somewhat unexpected. One might think that the deeper the inventory, as a mean, the higher the percentage of sales were created by auto product sales. Yet, chains stocking over 15,000 SKUs said they did smaller sales of auto products then those carrying under 5,000 SKUs.

Chain type	-5M	5-14M	+15M
Mean sales %	55%	60%	49%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on automotive products. Then we categorized the responses by the number of auto product SKUs they stocked. One might expect higher margains on average in chains stocking larger inventories with slower moving products which have higher margains. Yet margains differed very little between all the chain types.

Chain type	-5M	5-14M	+15M
Margins	34%	38%	38%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN SQUARE FOOTAGE

We asked responding chains what their mean square footage of display space devoted to automotive products in their average store was. As expected, the more inventory, the more space used to display it.

Chain type	-5M	5-14M	+15M
Mean sq-ft	3,524	3,919	5,153

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN NUMBER OF SKUs

We asked responding chains what their mean number of automotive product Stock Keeping Units (SKUs) were.

Chain type	-5M	5-14M	+15M
Mean SKUs	100	10,000	23,000

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN NUMBER OF EMPLOYEES

We asked responding chains what their mean number of employees they had in their auto parts departments were.

Chain type	-5M	5-14M	+15M
Employees	5	7	6

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHAT PRODUCTS THEY STOCK

We asked responding chains specifically what automotive products they stock, then broke the responses out by the number of SKUs they stock.

Chain type	-5M	5-14M	+15M
Air/oil filters	82%	92%	88%
Antifreeze	91	89	94
Batteries	77	89	82
Battery chargers	57	76	69
Body repair	56	76	65
Car washes	59	76	69
Engine treatment	74	78	78
Floor mats	43	76	54
Motor oil	88	89	94
Oil/gas additives	79	87	81
Protectants	78	81	76
Seat covers	28	57	40
Security	33	57	38
Spark plugs	74	92	87
Tire care	60	78	72
Tire inflators	60	84	71
Tune-up	68	87	79
Upholstery chemicals	58	81	73
Wax	76	87	81
Wipers	78	92	84

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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BATTERIES

Stocking batteries brings the selling outlet special storage problems since they are both bulky and contain potentially harmful chemicals. Hence, batteries are not the type of product that many mass merchants offer for sale. Nonetheless, 80% of all the outlets who responded to our survey stocked and sold batteries. And a perhaps surprising 77% of all outlets which carried only 5,000 or even fewer automotive SKUs also stocked and sold batteries.

Although it's heat that kills batteries, they fail more obviously in cold weather and many areas of the country haven't had extremely cold winters for several years now. So batteries haven't been replaced as much as they could have had temperatures been lower. Given these many aging batteries out there under car hoods, those projecting future sales see a good growth in the potential sales of batteries; some 9% growth is seen by outlets across the board.

Given the seasonality of battery sales, it is interesting to see how often they are promoted. Mass merchants with only 5,000 or fewer SKUs only promote them a couple of times a year. However, the average jobber or jobber retailer, stocking between 5,000 and 14,000 automotive SKUs, promotes them every other month, making them some of the most promoted of the automotive products we considered.

Batteries are widely promoted directly by manufacturers to consumers through national media advertising. Yet, outlets with 14,000 or fewer SKUs on average carry only one battery brand, while those with even more SKUs still stock an average of two brands.

An interestingly large percentage of these brands are private label brands, as well. In all, almost a quarter of the typical jobbers and jobber/retailers out there say the brand of battery they stock is a private label brand. And 13% of outlets with 15,000 or more automotive SKUs include a private label brand among the two brands on average they carry.

However, they carry a large number more SKUs. The outlets with 5,000 or fewer SKUs tend to carry only the basic types, according to function and price point, with only ten SKUs. However, outlets with over 5,000 SKUs carry on average a swinging 30 battery SKUs, for every consumer purpose and purse.

Finally, batteries take up a lot of floor space, on a sales room floor or in a storage area. The average jobber or jobber/retailer uses the least amount of space to store their batteries at only 21 square feet. But every other type of outlet uses, on average, at least 30 square feet. ■

BATTERIES PROJECTED GROWTH

We asked chains if they saw any growth in the sales of batteries in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of batteries.

Chain type	-5M	5-14M	+15M
Growth	9%	10%	8%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF BATTERIES

We asked responding chains what percentage of their batteries sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of batteries broken down by chains organized by the number of automotive products SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	27%	34%	38%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL BATTERY SALES

We asked responding chains what percentage of their overall sales were created by the sale of batteries. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	10%	6%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on batteries, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	28%	32%	28%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

BATTERY BRANDS STOCKED

We asked responding chains how many brands of batteries they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive products SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	1	1	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

BATTERY SKUs STOCKED

We asked responding chains how many SKUs they stocked of batteries. The mean results are shown divided according to the total number of automotive products SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	10	30	30

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE BATTERIES

We asked responding chains how many times they promoted batteries annually. Then we came up with the mean number of battery promotions divided by chains listed by the number of automotive products SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	2	6	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label batteries or not. Then we showed the mean percentages of how many chains say they have private label batteries, organized by the number of automotive products SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	5%	23%	13%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR BATTERIES

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to batteries.

Chain type	-5M	5-14M	+15M
Space	30	21	38

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS BATTERIES

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	77%	89%	82%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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ENGINE TREATMENT CHEMICALS

Engine treatment chemicals are a relatively new product category, the result of space-age technological developments. Yet, they are already the eighth most stocked product of all we studied, with 76% of all outlets stocking and selling these products.

And everyone selling engine treatment chemicals agrees that their future looks rosy. Indeed, the average jobber and jobber/retailer, stocking between five and 14,000 SKUs of automotive products believes that the market for engine treatment chemicals will grow by over 10% during the next year.

Interestingly, those outlets that predict the greatest growth are currently giving the product category the fewest linear feet of display space, at only four feet. Outlets with 5,000 or fewer SKUs give the product category twice the space on average, but see only a 7% growth—still quite a good growth rate, nonetheless.

Engine treatment chemicals are essentially DIY products. Most professional technicians aren't paid to add these to fuel tanks—consumers do that for themselves. And this is indicated by the fact that even the most heavily inventoried distributors, those with over 15,000 SKUs of automotive products, still report wholesale sales of engine chemical products at only a quarter of all their sales.

This makes up quite a nice piece of change, considering that even though the product category is new, all outlets report that it makes up over 2% of all their sales. And, it makes up a percent more among outlets with 5,000 or fewer SKUs in their inventory.

These same outlets are the greatest users by a slight amount of private label engine treatment chemicals. However, the very newness of the product category is indicated in the fact that under 7% of all engine treatment chemical inventory across the boards is in private labels. And that's for the deep inventory outlets, while those with less inventory have even fewer private label engine treatment chemicals in their inventories.

The newness of the product category also helps maintain gross margin levels. They run at over a third across the board, as well. As products gain in consumer acceptance and more competitors enter the field, usually margins tend to drop and price cutting becomes a major tool to gain market share.

As of yet, however, most outlets stock only three or four brands of engine treatment chemicals, and usually only one SKU of each brand.■

ENGINE TREATMENT PRODUCTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of engine treatment products in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of engine treatments.

Chain type	-5M	5-14M	+15M
Growth	7%	11%	6%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF ENGINE TREATMENT PRODUCTS

We asked responding chains what percentage of their engine treatment products sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of engine treatments broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	18%	23%	25%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL ENGINE TREATMENT PRODUCTS SALES

We asked responding chains what percentage of their overall sales were created by the sale of engine treatment products. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	3%	2%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on engine treatment products, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	34%	37%	33%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

ENGINE TREATMENT PRODUCTS BRANDS STOCKED

We asked responding chains how many brands of engine treatment products they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	3	3	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

ENGINE TREATMENT PRODUCTS SKUs STOCKED

We asked responding chains how many SKUs they stocked of engine treatment products. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	3	5	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE ENGINE TREATMENT PRODUCTS

We asked responding chains how many times they promoted engine treatment products annually. Then we came up with the mean number of engine treatments promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	3	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label engine treatment products or not. Then we showed the mean percentages of how many chains say they have private label engine treatments, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	3%	2%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR ENGINE TREATMENT PRODUCTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to engine treatment products.

Chain type	-5M	5-14M	+15M
Space	8	4	7

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS ENGINE TREATMENT

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	74%	78%	79%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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OIL & AIR FILTERS

If a customer does a complete oil change job, he or she will need a filter as well as oil. So most outlets that stock oil also stock some filters at least; in all, 85% of all outlets we surveyed stocked oil and air filters.

And they're bullish about the growth of filter sales in the future. Every type of outlet sees at least a 10% growth in the market. Outlets that stock 15,000 automotive SKUs or less are even more bullish, on average seeing a 12% growth in the sales of filters over the next year.

This is especially good news since filters make up a sizeable part of overall automotive product sales for every outlet that sells these products. Indeed, both the largest and smallest stocker of automotive products report that filter sales make up around a tenth of all their automotive product sales. The average jobber or jobber/retailer, who stocks between 5,000 and 14,000 automotive SKUs says that the sales of filters make up some 7% of his overall business.

Since across the board, the average gross profit margins hold comfortably at a third or more, this is quite a decent percentage, especially when considered as dollar volume. As might be expected, outlets with fewer automotive SKUs, who specialize in fast-turning part numbers and often use price to move products, admit the lowest margins at a third, while outlets with deeper inventories maintain higher margins.

The number of filter SKUs has risen tremendously over the past decade or so, as part of the overall parts proliferation problem. Therefore, although the number of filter brands the average outlet stocks is fairly small—two among outlets with 15,000 or fewer automotive SKUs and three among outlets with more, on average—the SKU number is higher. And it grows tremendously with the overall number of automotive SKUs the outlet stocks. While outlets offering fewer than 5,000 SKUs stock 32 filter SKUs, those with 15,000 or more automotive SKUs stock a whopping 250 filter SKUs. The average jobber or jobber/retailer tends towards the upper number, stocking some 200 filter SKUs on average.

All these SKUs take up precious square footage of space. The largest outlets put their 250 SKUs in some 137 square feet, on average, while the average sized jobbers or jobber/retailers cram 200 SKUs into some 91 square feet. Even the 32 SKUs outlets offering 5,000 or fewer SKUs still need 51 square feet for their 32 SKUs. ■

FILTERS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of air and oil filters in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of air and oil filters.

Chain type	-5M	5-14M	+15M
Growth	12%	12%	10%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF FILTERS

We asked responding chains what percentage of their air and oil filters sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of air and oil filters broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	33%	38%	46%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL FILTERS SALES

We asked responding chains what percentage of their overall sales were created by the sale of air and oil filters. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	9%	7%	10%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on air and oil filters, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	33%	36%	35%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

FILTERS BRANDS STOCKED

We asked responding chains how many brands of air and oil filters they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	2	2	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

FILTERS SKUs STOCKED

We asked responding chains how many SKUs they stocked of air and oil filters. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	32	200	250

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE FILTERS

We asked responding chains how many times they promoted air and oil filters annually. Then we came up with the mean number of air and oil filters promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	2	5	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label air and oil filters or not. Then we showed the mean percentages of how many chains say they have private label air and oil filters, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	11%	27%	19%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR FILTERS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to air and oil filters.

Chain type	-5M	5-14M	+15M
Space	51	91	137

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS FILTERS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	82%	92%	88%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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LUBRICANTS

In all, 80% of outlets stock some sort of lubricants. Interestingly, it's the average jobbers and jobber/retailers—those stocking between 5,000 and 14,000 automotive SKUs—who are the most apt to stock lubricants. In all, 87% of these types of outlets say they stock lubricants.

These types of outlets also have the best gross profit margins on lubricants, at 37%, and stock the most brands of all, at 16 different brands. Indeed, that's about the largest number of brands of a single product line of any product line we asked about. They also promote lubricants more often, at five times a year, than other types of outlets.

However, given all this, these jobbers and jobber/retailers devote the smallest amount of square footage of display space, on average, of any of the types of outlets. In all, they average a dozen square feet given over to lubricants. The other outlets all use over 16 square feet on average.

Lubricants are a major product category. Outlets that stock 5,000 or more automotive SKUs report that 3% of their overall sales are made up of lubricant sales. And those with only 5,000 or fewer automotive SKUs still see 2% of all their sales consisting of lubricant product sales.

Lubricants are sold under a large number of brand names, many of which are widely promoted to the buying public. Therefore, outlets tend to stock more brands of these products than many other product categories. Outlets with 5,000 or more automotive SKUs stock, on average, carry five brands, while outlets with smaller automotive SKUs counts tend to stock only four brand names.

However, the number of SKUs doesn't hold to the same level. While as we said the typical jobber or jobber/retailer stocks some 16 lubricant SKUs, outlets with faster turning inventories, under 5,000 SKUs, stock only five SKUs. And, outlets with really deep inventories, over 15,000 automotive SKUs, stock only ten lubricant SKUs. The average lubricant buyer, then, is often better off going to a smaller jobber or jobber/retailer to find what he or she needs than an outlet with a much larger inventory.

There's a good deal of growth yet in the potential lubricant market, outlets of all sizes agree. Outlets stocking 14,000 or fewer automotive SKUs see an average growth of 10%, way above average. And outlets with the really deep inventories, at 15,000 or more SKUs, see almost as much growth, at 7%. ■

LUBRICANTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of lubricants in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of lubricants. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	10%	10%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF LUBRICANTS

We asked responding chains what percentage of their lubricants sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of lubricants broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	23%	26%	29%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL LUBRICANTS SALES

We asked responding chains what percentage of their overall sales were created by the sale of lubricants. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	2%	3%	3%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on lubricants, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	32%	37%	33%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

LUBRICANTS BRANDS STOCKED

We asked responding chains how many brands of lubricants they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	4	5	5

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

LUBRICANTS SKUs STOCKED

We asked responding chains how many SKUs they stocked of lubricants. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	5	16	10

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE LUBRICANTS

We asked responding chains how many times they promoted lubricants annually. Then we came up with the mean number of lubricants promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	5	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label lubricants or not. Then we showed the mean percentages of how many chains say they have private label lubricants, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	5%	7%	9%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR LUBRICANTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to lubricants.

Chain type	-5M	5-14M	+15M
Space	16	12	19

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS LUBRICANTS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	79%	87%	81%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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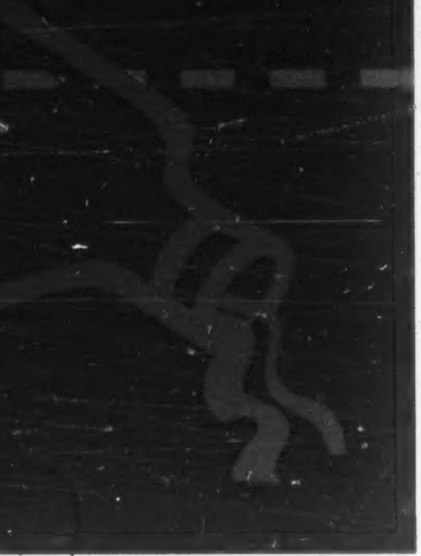

MOTOR OIL

Motor oil is probably the single most important commodity sold, mentioned in virtually every aftermarket retailer advertisement that appears at least once. It's stocked and sold by 91% of all the outlets we surveyed—the second most popular product category of all studied.

Motor oil also makes up a sizeable chunk of aftermarket product sales. Across the board, 7% of all the automotive product sales made by outlets is made up of motor oil, on average. Outlets that tend to stock just the high turn items, have a slightly higher percentage of their sales consist of motor oil, than outlets that store more SKUs.

Most outlets stock an average of six brands of motor oil. But the number of motor oil SKUs they stock varies by the number of overall automotive SKUs they stock. Those outlets that stock only 5,000 or fewer automotive SKUs carry around the same average number of motor oil SKUs as they do brands. However, outlets that stock more SKUs carry around two thirds more SKUs of motor oils, such as 10W30, 5W30, and 10W40, than they do brands.

And, they use a great deal more square footage of display space for oil than do outlets with fewer overall SKUs. While the smaller SKU outlets cram their eight average SKUs into an average area of 52 square feet (those cases take up a lot of space on the salesroom floor), outlets with between 5,000 and 14,000 SKUs put 21 motor oil SKUs into 83 square feet. And outlets with over 15,000 automotive SKUs lavish 1,140 square feet on 22 motor oil SKUs.

As far as all the square feet used by the latter group of outlets, don't forget that some 29% of their sales are wholesale, so they're moving a lot of full cases of motor oil at a time. They need all that floor space.

Motor oil is often used as a loss leader to get consumers into stores. Indeed, outlets across the board report that their average gross profit margins on motor oil are considerably lower, at some 20%, than margins on virtually every other aftermarket product.

Finally, although motor oil is one of the oldest, and hence most mature, product categories in the aftermarket, it's still seen as having a good growth potential. Outlets with the fewest automotive SKUs are the most optimistic about its growth, seeing a 10% growth rate next year. But, those outlets in the 5,000-14,000 SKU inventory range predict an 8% growth rate and outlets stocking over 15,000 SKUs see a comfortable 5% growth rate. ■

MOTOR OIL PROJECTED GROWTH

We asked chains if they saw any growth in the sales of motor oil in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of motor oil. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	10%	8%	5%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF MOTOR OIL

We asked responding chains what percentage of their motor oil sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of motor oil broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	22%	27%	29%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL MOTOR OIL SALES

We asked responding chains what percentage of their overall sales were created by the sale of motor oil. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	8%	7%	6%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on motor oil, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	21%	19%	20%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MOTOR OIL BRANDS STOCKED

We asked responding chains how many brands of motor oil they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	5	6	6

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MOTOR OIL SKUs STOCKED

We asked responding chains how many SKUs they stocked of motor oil. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	8	21	22

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE MOTOR OIL

We asked responding chains how many times they promoted motor oil annually. Then we came up with the mean number of motor oil promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	3	7	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label motor oil or not. Then we showed the mean percentages of how many chains say they have private label motor oil, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	17%	36%	24%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR MOTOR OIL

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to motor oil.

Chain type	-5M	5-14M	+15M
Space	52	83	1,140

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS MOTOR OIL

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	88%	89%	91%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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PROTECTANTS

Protectants of all sorts are carried by over three quarters of all outlets that stock and sell automotive aftermarket products, both wholesale and retail. Exactly 77% of all outlets say they stock and sell these products.

The deepest penetration of the protectant product category is among those outlets with both solid wholesale and retail sales. In all, these outlets, which stock between 5,000 and 14,000 automotive SKUs carry some seven protectant brands and eight protectant SKUs, and promote the category three times a year.

However, they set aside the least amount of linear feet for the display of protectants, at only five linear feet as opposed to the average of 21 linear feet used by outlets with only 5,000 automotive SKUs. Even outlets which are largely wholesaler, with 15,000 or more automotive SKUs have, on average, twice as much space devoted to displaying protectants than do the medium range SKU stockers.

And this difference appears to be reflected in overall sales. Both the larger and smaller outlets report that a greater percentage of their overall sales comes from the sales of protectants than the middle range inventory stocker. Both also, interestingly enough, reported that a considerably higher percentage of their sales are made as wholesale sales than did the middle range SKU stockers, even though protectants are more traditionally a DIY product than a professionally installed product. Indeed, even outlets with only 5,000 or fewer automotive SKUs report 10% more wholesale sales, even though they are traditionally retailers rather than wholesalers, than do jobber/retailers in the medium inventory stocking level range.

What does this mean? It may suggest that the more space devoted to protectants, rather than the number of times protectants are promoted, the greater the sales will be. This is usually the case with impulse items, and even given consumer advertising, it may well be that a fair percentage of protectant sales are as add-on, impulse items, purchased when other cleaning products are being bought.

In any case, a bright future is seen by all outlets in terms of protectant sales growth, with outlets stocking only 5,000 or fewer automotive SKUs being the most enthusiastic about the future of the category. They see a 7% growth in protectant sales over the next year, while even the slightly less enthusiastic outlets with 15,000 or more SKUs in inventory still see a respectable 4% growth as upcoming. ■

PROTECTANTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of protectants in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of protectants. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	7%	5%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF PROTECTANTS

We asked responding chains what percentage of their protectants sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of protectants broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	25%	15%	22%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL PROTECTANTS SALES

We asked responding chains what percentage of their overall sales were created by the sale of protectants. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	3%	1%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on protectants, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	33%	34%	32%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

PROTECTANTS BRANDS STOCKED

We asked responding chains how many brands of protectants they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	3	7	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

PROTECTANTS SKUs STOCKED

We asked responding chains how many SKUs they stocked of protectants. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	3	8	6

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE PROTECTANTS

We asked responding chains how many times they promoted protectants annually. Then we came up with the mean number of protectants promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	3	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label protectants or not. Then we showed the mean percentages of how many chains say they have private label protectants, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	6%	7%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR PROTECTANTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to protectants.

Chain type	-5M	5-14M	+15M
Space	21	5	11

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS PROTECTANTS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	78%	81%	77%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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SECURITY PRODUCTS

Not long ago there was a segment on *Good Morning America*, ABC Television's early morning show, about the rising number of car thefts in the country today and some of the aftermarket products available to protect against these crimes. This kind of publicity has propelled the security product category from what had been a fairly obscure one, to one of the more important stocked in serious aftermarket outlets today.

Even so, overall only 38% of all outlets we surveyed stocked security products. As may be expected, outlets with fewer than 5,000 automotive SKUs tended to stock security items at a lower rate than the average; only a third of them stocked these products. However, the average auto parts retailer or jobber/retailer, stocking between 5,000 and 14,000 SKUs, stocked these products at a much higher rate, with 57% of them reporting they had security products in their inventories. The rate falls off with the outlets which are basically wholesale distributors, stocking 15,000 or more aftermarket SKUs, of whom only 38% said they stocked security products.

Yet all outlets plan to stock more security products, as apparently they see growth in this product category of a much higher rate than average. In fact, those with 15,000 or more SKUs in their inventories see an annual growth rate of over a third by next year. It's definitely a growing category, everyone agrees.

Everyone also agrees on stocking two brands of security products; since the category includes fixed products such as steering wheel blockers to electronic motion detectors, often made by different companies, at least two brands are usually necessary to give consumers even a basic choice in a security system.

However, outlets with the 5,000-14,000 SKU inventory range stock an average of five security SKUs, perhaps a couple of versions of steering wheel blockers by price points and three electronic systems, also varying by price point.

Indeed, these outlets have the most experience stocking and selling security products. And they say, on average, that the market will grow 19%, that 13% of their sales of security products are wholesale while 2% of their overall sales are made up of security product sales, that their gross profit margins are 33%, they stock two brands and five SKUs of security products, they promote security items twice a year, they don't carry any private label security items, and they use four square feet to display security items. ■

SECURITY PRODUCTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of security products in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of security products.

Chain type	-5M	5-14M	+15M
Growth	13%	19%	35%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF SECURITY PRODUCTS

We asked responding chains what percentage of their security products sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of security products broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	9%	13%	11%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL SECURITY PRODUCTS SALES

We asked responding chains what percentage of their overall sales were created by the sale of security products. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	2%	2%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on security products, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	31%	33%	34%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

SECURITY PRODUCTS BRANDS STOCKED

We asked responding chains how many brands of security products they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	2	2	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

SECURITY PRODUCTS SKUs STOCKED

We asked responding chains how many SKUs they stocked of security products. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	2	5	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE SECURITY PRODUCTS

We asked responding chains how many times they promoted security products annually. Then we came up with the mean number of security products promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	2	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label security products or not. Then we showed the mean percentages of how many chains say they have private label security products, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	0%	0%	1%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR SECURITY PRODUCTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to security products.

Chain type	-5M	5-14M	+15M
Space	8	4	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS SECURITY PRODUCTS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	33%	57%	38%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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SPARK PLUGS

At 82%, most outlets that sell any automotive parts, chemicals, or accessories sell at least some spark plugs. It's the fourth largest stocked product category of all those we studied.

And, growth of the spark plug category is seen by everyone stocking these items. Outlets with the fewest SKUs are the most optimistic about spark plug sales growth, seeing the market grow 9%, but the others don't feel the growth rate will be much lower than that.

Spark plugs are a vital part of every auto parts outlet's inventory. Their sales make up a larger part of overall sales, ranging from 5% for outlets with inventories smaller than 14,000 SKUs to 7% for those with more inventory. When you consider the 24-29% margins on spark plugs, they make up for a large chunk of an outlet's total take home pay.

However, spark plugs, while not difficult for virtually anyone to replace him- or herself, are quite often included as part of a professionally performed tune-up. Therefore, it's no surprise to find that across the board, over a third of all spark plug sales are wholesale.

There have been tremendous advances in spark plug technology over the past several decades. The result has been a large growth in the number of spark plug types available, ranging from exotic metal core materials used to special purpose spark plugs. The result is that while outlets stock a relatively few number of brands—in the three to four range—they stock quite a large number of SKUs in proportion. While outlets with fewer than 5,000 SKUs stock some 36 SKUs of spark plugs, those stocking more average around 160 SKUs.

Actually the typical auto parts store type outlets, those stocking between 5,000 and 14,000 SKUs, tend to stock the most spark plugs, at 170 SKUs, and perhaps for that reason promote spark plugs the most. While the other types of outlets tend to promote spark plugs only a couple of times yearly, they promote them some five times a year on average—almost once every other month.

At the same time, however, these outlets also, oddly enough, devote fewer feet of display space to spark plugs than the other types of outlets. While they give only 24 feet to their 170 SKUs, outlets with more than 15,000 SKUs devote 59 feet to 150 SKUs. And outlets with fewer than 5,000 SKUs devote more than one foot per each SKU of spark plugs.

Finally, one rarely finds private labeled hard parts, and spark plugs are no exception. ■

SPARK PLUGS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of spark plugs in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of spark plugs.

Chain type	-5M	5-14M	+15M
Growth	9%	7%	6%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF SPARK PLUGS

We asked responding chains what percentage of their spark plugs sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of spark plugs broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	35%	34%	48%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL SPARK PLUG SALES

We asked responding chains what percentage of their overall sales were created by the sale of spark plugs. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	5%	5%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on spark plugs, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	29%	24%	25%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

SPARK PLUG BRANDS STOCKED

We asked responding chains how many brands of spark plugs they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	3	4	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

SPARK PLUG SKUs STOCKED

We asked responding chains how many SKUs they stocked of spark plugs. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	36	170	150

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE SPARK PLUGS

We asked responding chains how many times they promoted spark plugs annually. Then we came up with the mean number of spark plugs promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	2	5	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label spark plugs or not. Then we showed the mean percentages of how many chains say they have private label spark plugs, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	4%	2%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR SPARK PLUGS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to spark plugs.

Chain type	-5M	5-14M	+15M
Space	38	24	59

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS SPARK PLUGS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	74%	92%	87%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TIRE CARE PRODUCTS

Tire care products are virtually the newest product category in the aftermarket. Yet in the short time they've been available, they've become included in the inventories of some 68% of all outlets we surveyed. Moreover, the three brands they stock on average make up a substantial 2% of all the automotive parts, chemicals, and accessories sold by outlets stocking fewer than 5,000 SKUs of products.

So they suddenly make up an important product category.

And they're a product category that promises growth, outlets of all sizes agree. Across the board, outlets see a growth of some 6% on average, a considerable greater growth rate than is projected for the national economy as a whole.

Tire care products are rarely, if ever, professionally installed. They're a DIY item, as shown by the fact that even the most wholesaling outlet reports that, on average, well under a quarter of the sales of this product category are wholesale. They're usually sold across the counter, and often as add on sales as part of a whole car-care product line, just as often on impulse.

As often with an impulse item, tire care products seem to do best in outlets with fewer than 5,000 SKUs of aftermarket products on hand, such as supermarkets and department stores. They don't have to be promoted by the outlets a great deal, especially since currently there is so much consumer advertising in the category from manufacturers. Therefore it's no surprise to see how rarely outlets promote tire care products themselves—they're letting the manufacturers do the ground-breaking introduction work.

The average outlet which stocks 5,000 or fewer automotive SKUs reports that tire care products make up some 2% of all their sales of automotive products. They stock some three brands, with four SKUs, of tire cleaners, displayed, on average, across nine linear feet. They cut their prices slightly, as shown by the fact that their gross profit margins, on average, are a couple of points smaller than those of the average auto parts stores which stock between 5,000 and 14,000 automotive SKUs. And, they're the same as outlets that stock 15,000 or more automotive SKUs, so margins have been holding steady in the whole product category.

Of the brands of tire care products stocked, as is true with most new products, few are private labels. For the present, and the immediate future at least, national brands dominate the product category. ■

TIRE CARE PRODUCTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of tire care products in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of tire care products.

Chain type	-5M	5-14M	+15M
Growth	6%	8%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF TIRE CARE PRODUCTS

We asked responding chains what percentage of their tire care products sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of tire care products broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	22%	18%	23%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL TIRE CARE PRODUCT SALES

We asked responding chains what percentage of their overall sales were created by the sale of tire care products. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	2%	1%	1%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on tire care products, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	34%	37%	34%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TIRE CARE PRODUCT BRANDS STOCKED

We asked responding chains how many brands of tire care products they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	3	3	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TIRE CARE PRODUCT SKUs STOCKED

We asked responding chains how many SKUs they stocked of tire care products. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	4	6	6

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE TIRE CARE PRODUCTS

We asked responding chains how many times they promoted tire care products annually. Then we came up with the mean number of tire care products promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	4	1

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label tire care products or not. Then we showed the mean percentages of how many chains say they have private label tire care products, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	2%	5%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR TIRE CARE PRODUCTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to tire care products.

Chain type	-5M	5-14M	+15M
Space	9	5	5

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS TIRE CARE PRODUCTS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	60%	78%	72%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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STUDY

TIRE INFLATORS

Tire inflators, those aerosol cans that when attached to the valve of a flat tire refill the tire and stop many leaks, are widely popular as "insurance policies" carried in the trunks of many consumers' cars. Indeed, 68% of all outlets we surveyed stocked these products. They are most popular among outlets with between 5,000 and 14,000 automotive SKUs—jobbers and jobber/retailers—of whom 84% stock them.

Although relatively new in the auto parts, chemical, and accessories world, the very usefulness of this product line has propelled it to the point where now it accounts for a very tidy 1-2% of all aftermarket outlets' sales. As well, a little over a quarter of the sales of tire inflators through all types of outlets are sold wholesale.

These are good sales, too, in that the average gross profit margins of tire inflators holds pretty evenly across the board at around 33% for outlets with relatively few automotive SKUs and 36% for outlets with 5,000+ SKUs.

And, all outlets see continued growth in the tire inflator market. Typical jobbers and jobber/retailers, who stock between 5,000 and 14,000 automotive product SKUs, expect the most growth, around 10% on average. But outlets that stock only fast moving parts, and hence stock only 5,000 or fewer automotive SKUs, expect a 5% growth in the product category. And even outlets with very deep inventories, whose sales aren't as apt to be to DIY consumers, see a growth rate of some 2% in the upcoming year.

On average, outlets stock two brands of tire inflator. However, a relatively small percentage of outlets offer a private label as one of those brands. Indeed, only outlets with deeper inventories, at least 5,000 automotive SKUs, offer private label tire inflators at any appreciable rate, and only 5-6% of them have these products. Only 3% of outlets with smaller automotive inventories stock private label tire inflators.

However, the number of SKUs on average of tire inflators does vary by outlet type. The typical jobber or jobber/retailer offers four SKUs, usually different sizes, while outlets with over 15,000 SKUs tend to offer three SKUs. Outlets with 5,000 or fewer SKUs of automotive products tend to offer only one SKU per brand.

Most outlets don't see a great need to promote tire inflators on their own. Indeed, jobbers and jobber/retailer-type outlets promote them the most, at three times a year on average. Other types of outlets typically apparently promote them only annually.

TIRE INFLATOR PROJECTED GROWTH

We asked chains if they expected any growth in the sales of tire inflators in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of tire inflators. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	5%	10%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF TIRE INFLATORS

We asked responding chains what percentage of their tire inflator sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of tire inflators broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	26%	28%	27%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL TIRE INFLATOR SALES

We asked responding chains what percentage of their overall sales were created by the sale of tire inflators. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	2%	2%	1%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on tire inflators, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	33%	36%	36%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TIRE INFLATOR BRANDS STOCKED

We asked responding chains how many brands of tire inflators they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	2	2	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TIRE INFLATOR SKUs STOCKED

We asked responding chains how many SKUs they stocked of tire inflators. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	2	4	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE TIRE INFLATORS

We asked responding chains how many times they promoted tire inflators annually. Then we came up with the mean number of tire inflators promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	3	1

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label tire inflators or not. Then we showed the mean percentages of how many chains say they have private label tire inflators, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	3%	5%	6%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR TIRE INFLATORS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to tire inflators.

Chain type	-5M	5-14M	+15M
Space	6	4	4

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS TIRE INFLATORS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	60%	84%	71%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

PRODUCT
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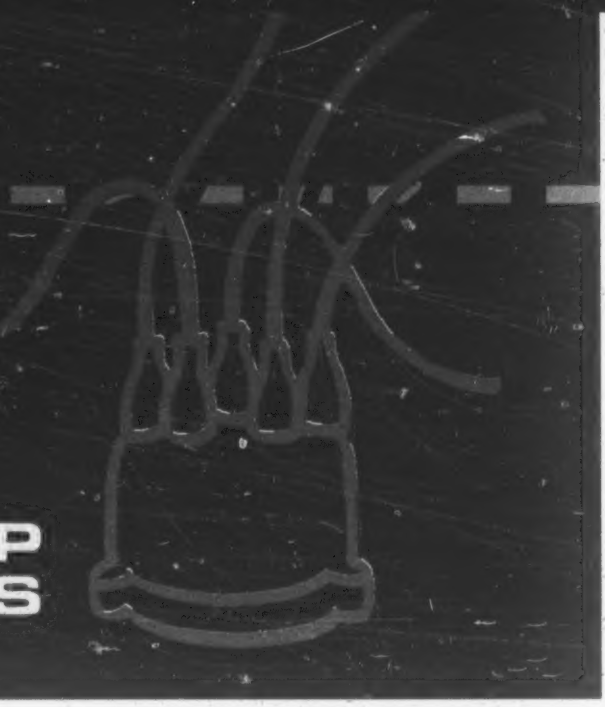

TUNE-UP PRODUCTS

Tune-up products, for the purpose of this study, include such things as wires and, where necessary, points, but not spark plugs which are a separate category. Nonetheless, three quarters of all outlets, even those which carry only fast-moving automotive SKUs, carry some tune-up products. This makes them the 15th most carried product category we studied.

In a relatively flat economy, where consumers aren't buying new cars but maintaining the ones they already have, tune-up products are very much in demand. Indeed, most outlets report about a tenth of all their sales are just in the sales of tune-up products. Of this, a good percentage of all outlets, even those with only fast-turning inventory items, report that their sales of tune-up products are to professional technicians.

And, they all see good growth in the sales of tune-up items. In fact, at around a 10% growth rate, tune-up items are projected as one of the fastest growing of all the product categories we studied. Of that, outlets with 5,000 or fewer automotive SKUs—fast turning items—see a 13% growth rate. Those with over 15,000 SKUs—deep inventories that include C, D, and W items—see the growth in the tune-up product category at some 7%.

There are a lot of products in this category, so one might expect the spread of what is stocked by different types of outlets to be quite different. And, this is indeed the case. While most outlets stock only a couple of brands, the number of SKUs carried vary from only 25 in outlets with 5,000 or fewer SKUs to some 300 in outlets with 15,000 or more SKUs.

However, the square footage devoted to tune-up products remains fairly constant among chains with 5,000 or more SKUs at only some five square feet. Even with the fewer numbers, chains with less than 5,000 SKUs give an average of nine square feet to displaying tune-up products.

This added space should pay off for the outlets with smaller inventories since the gross profit margins on tune-up products is fairly consistent across the boards. Obviously, deep price cutting isn't a major practice in marketing tune-up products, even at outlets who depend on turning their inventories quickly.

Finally, private labels haven't made a large impact among outlets stocking tune-up products. While outlets with 5,000 and more SKUs have about 10% of their inventory in tune-up products, only 4% of the tune-up inventory of outlets with fewer SKUs are private labeled. ■

TUNE-UP PRODUCTS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of tune-up products in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of tune-up products.

Chain type	-5M	5-14M	+15M
Growth	13%	10%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF TUNE-UP PRODUCTS

We asked responding chains what percentage of their tune-up products sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of tune-up products broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	39%	40%	50%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL TUNE-UP PRODUCT SALES

We asked responding chains what percentage of their overall sales were created by the sale of tune-up products. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	10%	7%	10%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on tune-up products, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	34%	36%	36%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TUNE-UP PRODUCT BRANDS STOCKED

We asked responding chains how many brands of tune-up products they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	2	3	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

TUNE-UP PRODUCT SKUs STOCKED

We asked responding chains how many SKUs they stocked of tune-up products. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	25	200	300

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE TUNE-UP PRODUCTS

We asked responding chains how many times they promoted tune-up products annually. Then we came up with the mean number of tune-up products promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	2	4	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label tune-up products or not. Then we showed the mean percentages of how many chains say they have private label tune-up products, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	4%	13%	9%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR TUNE-UP PRODUCTS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to tune-up products.

Chain type	-5M	5-14M	+15M
Space	9	5	5

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS TUNE-UP PARTS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking It	68%	87%	79%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

UPHOLSTERY CHEMICALS

Upholstery chemical products are a relatively new product category in the aftermarket. Yet already some 68% of outlets we surveyed stocked and sold at least some of these products. This places them as the 13th most sold product category on the survey.

Even though the category is new, there are already a number of players in the field. The result is that across the board outlets report that they stock some three brands of upholstery chemical products. However, outlets with fewer SKUs, and therefore with mostly high turn items, tend to stock only one SKU per brand, while those with deeper inventories stock two or three SKUs of each brand, perhaps a different size container or an upholstery chemical with a different purpose.

However, as with any new product category, these chemicals have to be squeezed into a limited shelf space area. While higher turn outlets tend to display the three SKUs they stock on nine linear feet, outlets with larger inventories cram twice the number of SKUs into almost half the space.

New product categories such as upholstery chemicals are developed by manufacturers who develop the new products and their market. Private label products always follow, usually when the market for the product category tends to be relatively mature. Hence it's not terribly surprising that only a handful of outlets at all—under 5% across the boards and only 2% among high turn outlets—stock private label upholstery chemicals.

Upholstery chemicals are rarely applied by professional technicians as part of an automotive maintenance job. Even outlets with exceptionally large aftermarket product inventories, which are assumed to be mostly jobbers and major wholesale distributor outlets, report that most of their sales of upholstery chemicals are across the counter to DIYers at retail prices. Indeed, only around 18% of the sales of these products by all outlets are wholesale.

The result is that margins have been held fairly consistently, as well. Gross mean profit margins on the sale of upholstery chemicals is reported at some 35% by all outlet types.

Even so, higher volume outlets are a bit more bullish on the future growth of the upholstery chemical product sales. In all, of those stocking fewer than 5,000 aftermarket SKUs said the market would grow 6%, as opposed to all other types of outlets which said the category would grow 4%. In either case, that's a good growth pattern, especially in a lean season. ■

UPHOLSTERY CHEMICALS PROJECTED GROWTH

We asked chains if they saw any growth in the sales of upholstery chemicals in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of upholstery chemicals.

Chain type	-5M	5-14M	+15M
Growth	6%	4%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF UPHOLSTERY CHEMICALS

We asked responding chains what percentage of their upholstery chemicals sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of upholstery chemicals broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	18%	17%	18%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL UPHOLSTERY CHEMICAL SALES

We asked responding chains what percentage of their overall sales were created by the sale of upholstery chemicals. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	1%	1%	1%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on upholstery chemicals, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	34%	36%	35%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

UPHOLSTERY CHEMICAL BRANDS STOCKED

We asked responding chains how many brands of upholstery chemicals they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	3	3	3

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

UPHOLSTERY CHEMICAL SKUs STOCKED

We asked responding chains how many SKUs they stocked of upholstery chemicals. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	2	6	6

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE UPHOLSTERY CHEMICALS

We asked responding chains how many times they promoted upholstery chemicals annually. Then we came up with the mean number of upholstery chemicals promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	2	3	1

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label upholstery chemicals or not. Then we showed the mean percentages of how many chains say they have private label upholstery chemicals, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	2%	4%	3%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR UPHOLSTERY CHEMICALS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to upholstery chemicals.

Chain type	-5M	5-14M	+15M
Space	9	4	5

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS UPHOLSTERY CHEMICALS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	58%	81%	73%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

PRODUCT
AFTERMARKET
RESEARCH
TRADE
STUDY

WAX & POLISH

Wax and polish products are the fourth most carried aftermarket item among those we surveyed. In all, 80% of outlets that handle aftermarket products stock and sell some sort of wax and polish products.

The wax and polish category is one of the most competitive product categories in the aftermarket today, with many brands vying for often limited shelf space. And, beyond the brands, there are types of waxes and polishes ranging from top-of-the-line carnauba waxes to colored waxes, new during the past year, and from old fashioned paste waxes to spray-on, easy-to-use waxes. So the buyer of waxes in any size outlet has a considerable problem in deciding what to stock.

As it is, among outlets we surveyed, the high volume SKU-type outlet tends to carry only one SKU or product type from each of five different brands. That is, they might carry a high-end wax from one company, a colored wax from another, and a spray-on from yet a third. Outlets with deeper inventory mixes tend to have only slightly more brand names, but a couple of SKUs or product types or sizes from each brand.

It's interesting to note, then, that the higher volume outlets, with fewer than 5,000 aftermarket product SKUs, take up just about twice the linear feet of display space for their wax and polish items than do the deeper inventory outlets. And, wax and polish products make up about a third more of their overall aftermarket product sales than they make up the total sale of the other outlet types. So, on the average, twice the space gives about a third more sales—at least in this product category. Even with their slightly lower margins, the result of more discounted pricing, their profits from the wax and polish product category are significantly better than those realized by outlets with deeper inventories.

Not only are these outlets making more money from wax and polish products, they also see more increased growth in the product category sales than do outlets with deeper inventories.

Wax and polish products are heavily advertising in all forms of consumer media such as television and magazines. Therefore, consumers are aware of brands and often go into an outlet looking for a particular product and brand. Given this, it's not a surprise that only around 5% of all the wax and polish inventory of all the different outlet types consists of private label products. ■

WAX AND POLISH PROJECTED GROWTH

We asked chains if they saw any growth in the sales of wax and polish in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of wax and polish. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	7%	5%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF WAX AND POLISH

We asked responding chains what percentage of their wax and polish sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of wax and polish broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	23%	16%	23%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL WAX AND POLISH SALES

We asked responding chains what percentage of their overall sales were created by the sale of wax and polish. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	3%	2%	2%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on wax and polish, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	32%	34%	32%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WAX AND POLISH BRANDS STOCKED

We asked responding chains how many brands of wax and polish they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	5	7	7

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WAX AND POLISH SKUs STOCKED

We asked responding chains how many SKUs they stocked of wax and polish. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	5	15	11

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE WAX AND POLISH

We asked responding chains how many times they promoted wax and polish annually. Then we came up with the mean number of wax and polish promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	3	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label wax and polish or not. Then we showed the mean percentages of how many chains say they have private label wax and polish, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	5%	4%	4%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR WAX AND POLISH

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to wax and polish.

Chain type	-5M	5-14M	+15M
Space	21	10	13

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS WAX AND POLISH

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	76%	87%	81%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

PRODUCT AFTERMARKET RESEARCH TRADE STUDY

WIPERS

The sixth most stocked automotive product in our survey, windshield wipers and blades, is stocked and sold by 81% of all outlets.

Overall, about 3% of the sales of aftermarket products in all outlets consist of wiper sales, even though wipers are not promoted often, only a couple of times a year for most outlets.

Outlets which sell relatively few automotive aftermarket SKUs obviously discount prices on their wipers more than outlets with deeper inventories. While those stocking more than 5,000 aftermarket SKUs report some 37% margins on average, those stocking fewer than that generate average profit margins of only 32%.

Wipers are a product that take a lot of SKUs to offer adequate coverage. Indeed, although the large majority of chains offer only one or two brands, most have many more wiper SKUs. While outlets which stock few aftermarket SKUs, often outlets such as supermarkets and hardware stores, stock only ten wiper SKUs on average, the other outlets which have deeper inventory stock four times as many wiper SKUs.

Therefore, it initially may appear surprising that most outlets, regardless of type, display their wipers in roughly the same amount of linear feet, around ten. However, when one sees that only one or two brands are stocked, and most brands provide fixed displays in that size range, the display space allotted figure makes good sense, indeed.

Private labels are not a major factor in the wiper business. On the whole around 10% of outlets stock private labels, with fewer high-volume outlets stocking private label than deep inventory outlets. Of course, if you stock only one or two brands of a product such as wipers, it makes sense that both will be nationally advertised products rather than private label. This is especially so since wipers are heavily advertised in the consumer media, creating consumer demand for specific brands. And, given the relatively low price and infrequent replacement of today's wipers and blades, it is less necessary to stock a specifically lower price point brand in the product mix.

All outlets look for growth in their wiper business. Those with higher volume and turns, the outlets stocking fewer than 5,000 SKUs, see a slightly higher growth in the category than those with especially deep – over 15,000 SKUs – inventory do. But all call for continued wiper sales growth. ■

WIPER PROJECTED GROWTH

We asked chains if they saw any growth in the sales of wipers in 1992 vs. 1991. Then we divided the mean percentages of growth by chains ranked by the number of SKUs they stocked of wipers. The fewer SKUs they stocked, the more they saw growth.

Chain type	-5M	5-14M	+15M
Growth	10%	9%	7%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHOLESALE SALES OF WIPERS

We asked responding chains what percentage of their wipers sales were created by wholesale sales as opposed to retail or across the counter sales. Below are the mean percentages of wholesale sales of wipers broken down by chains organized by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean sales %	26%	35%	37%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN OVERALL WIPER SALES

We asked responding chains what percentage of their overall sales were created by the sale of wipers. Then we separated the mean percentages by chains organized by the total number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Overall sales	2%	3%	3%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

MEAN GROSS MARGINS

We asked responding chains what their mean gross margins were on wipers, then organized the mean results by chains according to the number of automotive SKUs they stock.

Chain type	-5M	5-14M	+15M
Margins	32%	38%	36%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WIPER BRANDS STOCKED

We asked responding chains how many brands of wipers they stocked. Then we broke out the mean number of brands organized by chains divided according to the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Mean brands	2	2	1

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WIPER SKUs STOCKED

We asked responding chains how many SKUs they stocked of wipers. The mean results are shown divided according to the total number of automotive product SKUs the chains stocked.

Chain type	-5M	5-14M	+15M
Mean SKUs	10	40	40

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

HOW OFTEN THEY PROMOTE WIPERS

We asked responding chains how many times they promoted wipers annually. Then we came up with the mean number of wipers promotions divided by chains listed by the number of automotive product SKUs they stock.

Chain type	-5M	5-14M	+15M
Promotions	1	3	2

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DO THEY HAVE PRIVATE LABELS

We asked responding chains if they stocked private label wipers or not. Then we showed the mean percentages of how many chains say they have private label wipers, organized by the number of automotive product SKUs the chains stock.

Chain type	-5M	5-14M	+15M
Yes	6%	14%	11%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

DISPLAY SPACE FOR WIPERS

We asked responding chains how much display space by square footage or linear footage, whichever was appropriate, they devoted to wipers.

Chain type	-5M	5-14M	+15M
Space	10	10	11

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

WHO STOCKS WIPERS

We asked chains if they stocked this product or not. The following percentages are the percentages of those outlets that stock this particular product.

Chain type	-5M	5-14M	+15M
Stocking it	78%	92%	84%

Source: 1992 *Automotive Marketing Product/Aftermarket Research Trade Study*

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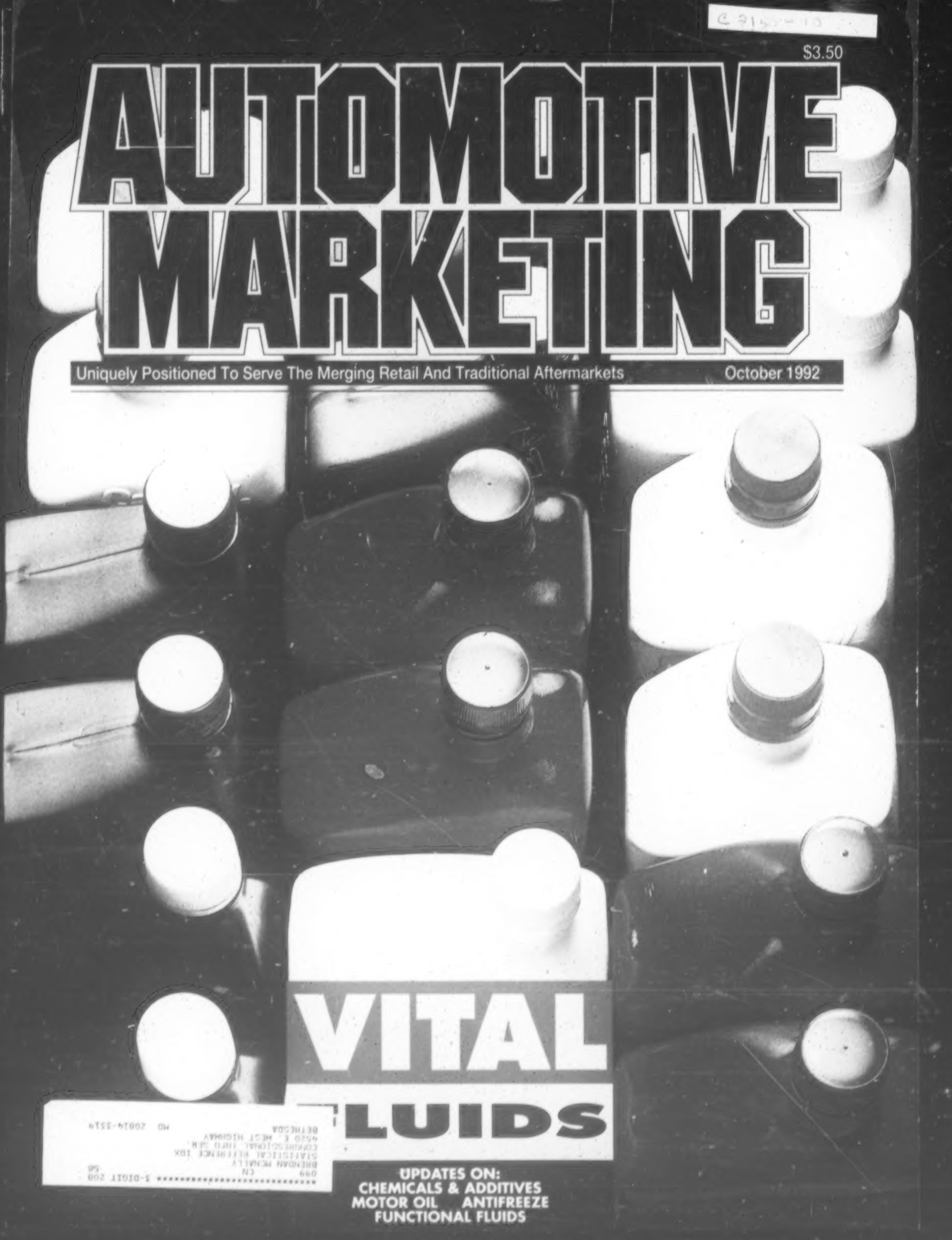

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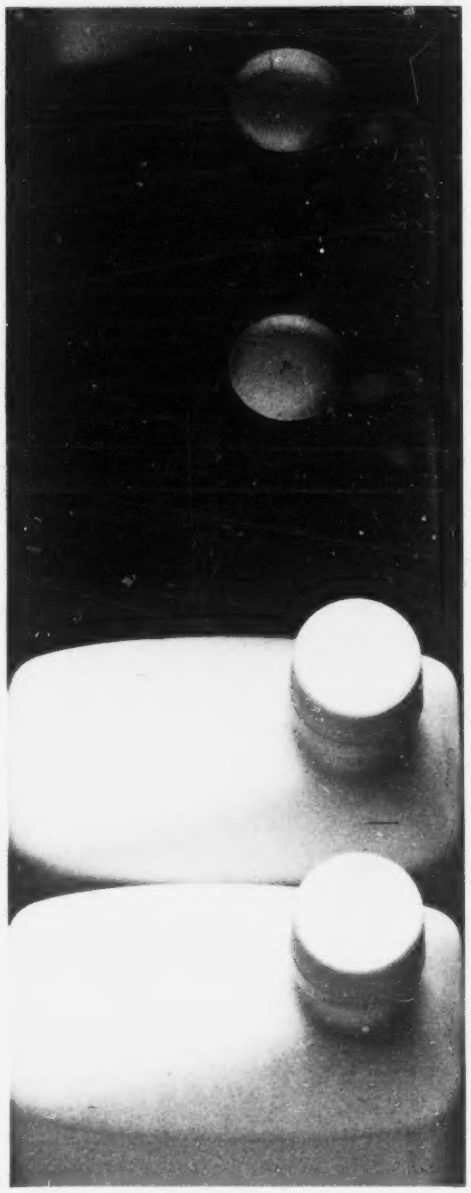

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EDITORIAL STAFF
FAX (215) 964-4981

Steve Davis,
Editor
(215) 964-4395

Phil Katcher,
Business Editor

John Wirebach,
Senior News & Feature Editor

Wendy Ampolsk,
Contributing Editor

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Bonnie Lynne Shannon,
Editorial Assistant

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

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CHILTON OFFICERS
Donald W. Chestnut; Sr. V.P. Operations/Admin.
Christopher M. Savine; V.P., Finance, C.F.O.

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JESSE H. NEAL
AWARD-WINNING
PUBLICATION
FIVE OUT OF
EIGHT YEARS

BPA

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MARKET LINE

Comparing The WD To The WD Owning Stores. Who Knows Where The Money Goes? Here's Where.

As *Automotive Marketing* was one of the first to point out, back in 1987, the trend among Warehouse Distributors (WDs) is to buy and operate jobber stores. The latest Automotive Warehouse Distributors Association (AWDA) directory lists 230 WDs. Of these, 113 own at least one store. The total count of stores is 2,131. Add to these several WDs that did not list their stores and we can list some 2,500 WD-owned stores.

With the importance of this trend to the market, a presentation by CPA John Wegmann of Wegmann-Dazet, New Orleans, speaking at the Frost & Sullivan conference, was spot on for timeliness. Wegmann presented a financial analysis from AWDA data comparing WDs without stores and WDs with owned jobber stores (which we'll call WD/jobbers) in what he called an "initial attempt to measure an apparent new trend."

According to Wegmann, the strategy of WDs buying jobbers works in terms of sales but not in terms of profits.

"In at least one respect," Wegmann said, "the strategy of owning stores appears to be successful: Sales volume. While the average WD reported a modest increase of only 1% of sales in 1991 over 1990, the average WD/jobber reported a sales increase of over 6%. One fourth of the participants reported a sales increase in excess of 10% over the previous year."

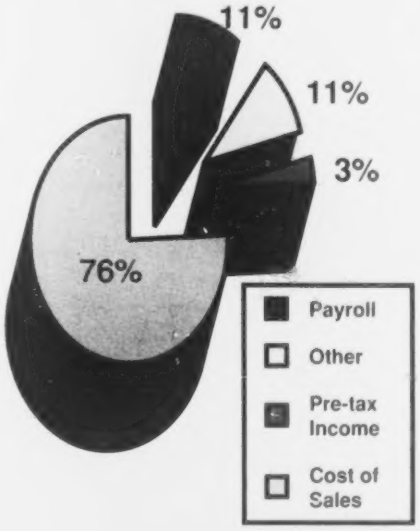
In addition to higher sales, the WD/jobber sees about an 11% decline in the cost of sales. However, Wegmann notes, this does not put 11% more money in the WD/jobbers pocket: New expenses eat up the gains.

"The distribution of the sales dollar changes dramatically for WDs with some controlled distribution," Wegmann said. "The increase in the gross profit margin (11%) is totally absorbed by payroll increases (almost 7%) and other expenses unique to stores (rent-utilities-insurance costs increase about 5%). As a result, there is a lower pretax income (2.78% for the WD/jobber versus 3.34% for the WD)."

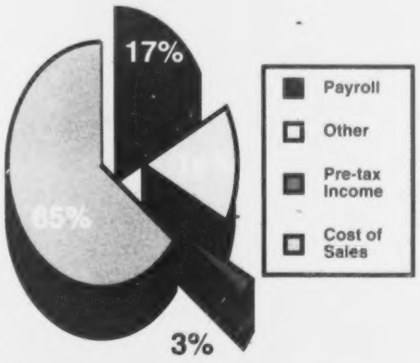
One major reason that WDs are buying stores is that jobbers are not doing well in the market. The number of jobber stores has been declining for some time now and many feel the days of the independent jobber, even in rural areas, are numbered. This was borne out by Wegmann's analysis.

According to Automotive Service Industry Association (ASIA) statistics, jobber pretax income was 1.8% in 1990 and 2% in 1989 (1991 figures are not available yet). And, while jobber income declines, jobber costs are up, chiefly for labor. Delivery and warehouse costs have risen a full percentage point while gross margins have stayed about the same.

WAREHOUSE DISTRIBUTION OPERATIONS



COMBINED WD-JOBBER OPERATIONS



The distribution of expenses changes dramatically for WDs with controlled distribution. The 11% gain in cost of sales is absorbed by increases in payroll and other expenses, resulting in lower pretax income.

"Jobbers are in a squeeze," Wegmann said. "Labor costs are up, not in administration, but in customer service. Payroll costs tend to be a surprise for WDs owning jobber stores. The higher payroll costs are required to meet the service needs and extended hours of the trade, professional installers and DIYers. Consequently, productivity (sales per employee) is almost halved."

Sales per employee were $219,994 for WDs and just $116,711 for WD/jobbers.

Wegmann suggested that customers be reminded of what services the jobber provides. "The jobber is selling price *and* service. The customer is really buying availability, credit, warranties, returns, delivery, and many other services. Someone earlier said jobber salesmen should get out and call on jobber customers. What a radical notion that is."

Charts for the traditional aftermarket as a whole showed that the average WD sales volume rose just 1% in 1991 compared to more than 3% in 1990. "But after adjusting for price changes of 2.5%," Wegmann noted, "this results in a second consecutive year of unit sales decline (1990 was about 0.5% down). With unit sales down, it's hard to increase sales volume unless you steal business."

In the final analysis, the WD/jobber's pretax income is 1.38% percent lower than the average WD pretax income of 2.77%. In addition, WD/jobbers average a full inventory turn less than WDs (2.18 versus 3.18).

However, while all the financial figures seem negative, Wegmann stressed that the study was a first time study and based on only 18 WDs owning 371 stores.

"So what's better? A higher rate of profitability on lower sales volume, or a lower rate of profit on a higher level of sales? How much of the apparent inefficiency of the WD/jobber operation is attributable to a learning curve as the WD adjusts to this new approach to marketing? How much of the sales increase is attributable to new store acquisitions? What is the impact of acquisition and start-up expenses? The answer to these important questions will become evident as the industry continues to evolve and future surveys measure the trends over time," Wegmann concluded. ■

(Circle 8 on Product Information Card ▸)

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FUNCTIONAL FLUIDS

More than just traffic builders, functional fluids are as vital to the store as they are to vehicles

by **John Wirebach,**
Senior News and Features Editor

Functional Fluids are just what the words say they are: fluids that perform a function. Without functional fluids, cars and light trucks would not run and stores would lose their best traffic builders. Here's a short look at the market for motor oil, transmission fluid, antifreeze/coolant and brake fluid.

Antifreeze

After some of the more exciting years we've seen in the antifreeze market in recent years, the 1992 season might almost be a bore. The last time we took a detailed look at the antifreeze market there was a severe shortage of glycol. Since nine pounds of glycol at 20 cents or so a pound go into every gallon of antifreeze you can see the importance of the supply and price of glycol. When glycol runs short, antifreeze runs short.

At that time, jobbers and small independent retailers were running into local discount stores and buying a few cases just to have some antifreeze on their floors. Even the bigger chains got edgy. The private label market just about dried up. Antifreeze suppliers talked seriously about $8-$9 antifreeze. Only about 161 million gallons were sold that season. That was the lowest gallonage total since the first oil embargo in 1974.

But that's all in the past. Glycol's plentiful, private labels are back, and the antifreeze industry is looking for a good year following one filled with warm weather, a soft economy and too much deferred maintenance.

"There are a lot of good reasons for optimism," Mark Haglund, vice president of marketing for the Auto Products Division of First Brands Inc. (Prestone brand), Danbury, CT said. "The total antifreeze/coolant market is like a sawtooth. Up and down. Last year it was 173 million gallons. It changes every other year. Based on history we should be back to 1990 numbers (192 million gallons). For 25 or 30 years, it's been true. The market doesn't stay down two years in a row."

THE THREE SEASONS OF CONSUMER ANTIFREEZE SALES

Almost half of all antifreeze/coolant sales to cosumers occur in a three month period from September through November as consumers stock up for cold weather.

Months	% Sold
September-November	48%
December-January	21%
February-August	31%

Source: First Brands

Statistics from the Chemical Specialty Manufacturers Association, Washington, DC, bear out Haglund's prediction:

- 1988: 216 million gallons
- 1989: 161 million gallons
- 1990: 192 million gallons
- 1991: 173 million gallons

"I have a few reasons of my own," Haglund said. "The main one is the economy. It's a big purchase. Ten bucks plus whatever it costs to flush and fill. It's something you can easily put off for another year. The reason to change antifreeze is to avoid rust and corrosion. The freezing protection will still be there. Incidentally that's our new commercial focus. The point of difference between Prestone and the others: the additive and inhibitor package. We think it's a better package."

Tom Neidhart, business manager, Auto Products, for BASF (Zerex brand), Parsippany, NY, said, "The signs are good: more normal weather, a lot of deferred maintenance, prices are lower, rebates are back. All the factors should contribute to a good year. We never have two soft years in a row."

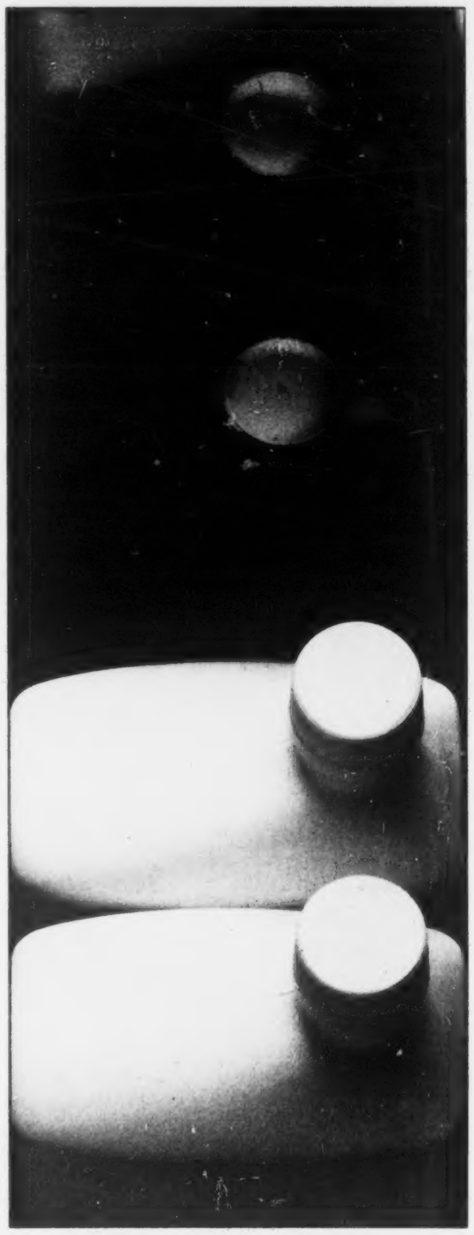
Neidhart feels the fall of 1992 (about half of all antifreeze is sold between September and November) should be a bargain for consumers. "Consumers should be able to buy in for slightly under $2.00 with rebates. We see a $3.49 ad price and $1.50 rebate. That's a best case strategy. It may get down to $3.49 or $1.99 to $2.49 after the rebate."

At Old World Automotive (Peak brand), Northbrook, IL, Mark Kraus, sales coordination manager, said his company had helped retailers clean shelves in preparation for the 1992 buying season.

"During the usual off season we had a good opportunity to empty out the shelves," Kraus said. "We gave stores an easy-to-advertise sale at 99 cents a gallon. The usual rebate is $1.49. Last spring we ran a double rebate: $3.00. We captured a large portion of the ads. Advertise antifreeze at $3.99 and 99 cents after the rebate. All our current customers were able to clean out their carry over. Now the stores have cleaned out their warehouses, purchases should be up for 1992. We're tracking 30% over last year."

The major change in the market will probably be the return of ample supplies of private label antifreeze. The return to private labels pleases Old World, Kraus said. "Old World is the largest private label producer in the country. Peak is just a portion of our business. Our business is antifreeze. Others look at getting new brand sales. They want to sell their brand. We say, want to buy a brand, or private label? We just want to sell gallons. We have committed ourselves: one gallon is just as important as another. If supplies dry up again as they have in the past, we don't give Peak any more consideration than private labels. We're a better supplier in that way and we've gained a few customers from that. In fact, this year we're getting customers we've never had before. Some consumers are looking for a premium brand and some are looking for a price product. With a private label retailers can corner the price market and the premium market. The brand may be sold down the street, but if you have your own label you don't have to match that label's prices. It's a real benefit for the retailer. How does Peak do? We have several customers that carry Peak as their premium brand and a private label."

Prestone has been the brand leader for a long time, a fact conceded by everybody in the market. As a competitor noted, "They have the strength of wide distribution, the marketing tools and the name in the market." And, just to make sure people remember Prestone, First



Brands also does almost half the total antifreeze advertising.

"The biggest coup for us is that private labels are back," Haglund said. "There's a surplus of glycol and this year we're running private labels again. No major retailer will be without a private label. Kmart and Wal-Mart will be back big time. The other majors (brands) did well and took advantage of private labels going out. They picked up a lot of that business. Now that private labels are back, they'll have to fight to maintain their gains."

One company that profited from the lack of private brand competition was Zerex. The folks at Zerex are pleased by their substantial gains although Neidhart conceded it would be different in 1992. "We've done well since we took over Zerex in 1986. There's no question private labels will hurt us as a lower price alternative. But people are more comfortable with national brands. It's certainly not going to help us; but it's certainly not going to help Peak or Texaco either. Prestone gets a higher price, but we get a premium price to Peak and Texaco."

A new facet of the antifreeze market is the move toward environmental matters. For example, several companies, such as Arco Chemical, Newtown Square, PA, now manufacture antifreeze made with propylene glycol instead of ethylene glycol. The environmental feature is that propylene glycol is non-toxic. However, propylene glycol has not yet found wide distribution. Haglund noted, "It has no impact yet. It's more expensive. The selling point is it's less toxic. But what you're dealing with is what comes out of the car. And that has metals in it from the car radiator and that makes the waste a problem. As antifreeze, both kinds are biodegradable."

While none of the majors expected propylene glycol-based antifreeze to affect the market, they all expected some kind of recycling to hit the market in a big way. Haglund, for example, said "First Brands feels recycling glycol is the wave of the future. There's lots of stuff just beginning in education to collect used antifreeze." In fact, this year First Brands started Prestone Technology Systems to market on-site antifreeze recycling equipment to service facilities. Rick Bowen, president, said as much as 200 million gallons could be collected eventually. Prestone is also examining a system of five-gallon plastic containers to collect DIY antifreeze. Two counties in California, the state of Rhode Island, and Newtown, CT, are test sites for the DIY program.

"There's no question that the issue has got momentum," Neidhart said. "There are a whole bunch of machines out there being tested. Some do better than others; it depends on the contamination. If they can capture the glycol it can be fairly good. Right now it's still too costly, but in the long run recycling will be a factor."

However, one company is already on the market with antifreeze/coolant made from recycled glycol. That company is Regenex, Chicago, which has been selling bulk recycled antifreeze for almost five years, but now markets a branded product. "This is our first year," Nancy Myerson said. "But next year we hope to be in the 10 million gallon range. We're also coming in late this year; we didn't hire our first reps until May."

Myerson emphasized the product was not made from used antifreeze but from recycled glycol. "It does take an explanation. It's made from scrap plastics and other glycol-based products. That's refined into a gray glop and pure ethylene glycol is distilled from this glop. Then we add an additive package and we have antifreeze."

Myerson said their studies have shown that at least 50% of consumers would rather buy environmentally safe products if they were available and the price was not prohibitive. Regenex is available and the price will be competitive, she added.

"We're getting interest because we're different. We're an alternative. Carrying environmental products makes sense. The price point on Regenex is $3.99 and we'll rebate $1.50. We're not pleased about the rebate but we have to be competitive. We don't have any stock sitting on the shelves. I've never been a cold weather person, but I've never wanted a cold winter so badly."

Motor Oil

The motor oil market is really two separate markets, one for DIYers and oil sold over the counter, and two, an installed market, where people pay others to install the oil. Between the two segments more than 2.7 billion quarts of oil are sold annually. Basically, the same suppliers sell in both market. Of the two, the DIY segment is the largest. The suppliers we spoke with agreed that it was around 60% of the market, slightly less than in the past, but still the larger segment.

OIL SALES

The sales of motor oil weights have changed in the past five years. As our chart shows, 10/30 weight oil has gone from about a quarter to over a third of the market, while 10/40 oil has dropped from more than half to about a third. Despite the fact that more than half the OE factory fill is 5/30 weight, it still accounts for little replacement sales.

Oil weight	Market Share % 1985	Market Share % 1990
10/30	26%	35%
10/40	54%	23%
5/30	2%	6%
All other	18%	25%

Source: National Petroleum Refiners Association

"It's still about 60%," said Bill LaFave, director of sales promotion and national accounts coordinator at Quaker State Corp., Oil City, PA. "That's down from 67-68% at one time. The trend is slowly downward and that's continuing. But over the counter is still the lion's share of the business."

The DIY segment is helped by local service station owners buying oil on specials at their local auto parts store. While prices have drifted up in the last year, it's still quite easy to find oil at 99 cents a quart on special and that's way below what oil jobbers sell gas stations. "The price does bring in wholesale customers," LaFave said. "But that's not the retailer's goal. Retailers use oil to sell related items."

This is the way we see the over-the-counter market:

- Mass merchants 52%
- Auto parts stores 33%
- Service stations 4%
- Warehouse clubs 4%
- Grocery stores 3%
- All others 4%

Aside from the sudden influx of sales at warehouse clubs, the retail market has been basically unchanged for some time now. Mass merchants (mainly discount stores such as Kmart and Wal-Mart) and the auto parts chains use oil as a loss leader to get people in the stores. The two outlets dominate the market and there's no reason to see any change.

WHAT A DIFFERENCE A DECADE MAKES

As the 1980s began, quick lubes were a new concept. By 1992, quick lubes sold close to a third of the installed oil market. The big losers in market share were service stations, which fell from about a third of the market to less than a fifth of the market.

Installed Oil Changes	1992 %	1980 %
Quick Lubes	30-35	0- 5
New Car Dealers	20-25	25-30
Service Stations	15-20	35-40
Repair Garages	10-15	5-10
Mass Merchants	5-10	5-10
Tire Stores	5-10	5-10
All Others	5-10	5-10

Source: *AM estimates*

"Jobbers are getting a little better at selling oil," LaFave said. "They're doing some things like retailers. There's no great price disparity at some of the programmed stores. But the traditional jobber still does not rely on large footprints in the store."

Just as the discounters and the retail chains dominate the DIY segment, half a dozen suppliers dominate the retail market. These retail oriented brands have been selling in stores since the 1930s:

- Castrol Inc., Wayne, NJ
- Havoline (Texaco Lubricants Co.), Houston
- Kendall Refining Co., Bradford, PA
- Pennzoil Products, Houston
- Quaker State, Oil City, PA
- Valvoline Oil Co, Lexington, KY.

Most began selling retail because they lacked the large number of service station outlets that dominated replacement oil sales until the 1950s.

"The top five are selling 75% of the market," said Jan Horsfall, national brand manager for Valvoline. "With no one company selling 20% of the market, it doesn't take a mathematician to see that the market is a dogfight."

A dogfight is a good term for the market; and, it became even more bitter in the 1980s with the addition of the major "integrated" oil brands to the market. Integrated, in this sense, means companies that explore, drill, refine and market motor oil.

Previously, the integrated companies sold almost exclusively through their own gas stations. But the oil shortages of the 1970s decimated the ranks of the full service gas stations and left the integrated companies with nowhere to sell. Perhaps as many as a 100,000 service stations closed in the 1970s. Service stations have fallen from about a third of the installed market in 1980 to about a sixth of the market in 1992.

This is a good estimate of the way the installed market breaks down:

- Quick lubes 34%
- New car dealers 23%
- Service stations 16%

- Repair shops 11%
- Mass merchants 7%
- Tire stores 6%
- All others 3%

As we've noted several times in the past few years, the quick lubes are now the dominant player in the installed market. That's not bad for an industry that did not even exist ten years ago. The first quick lubes opened in the early 1980s (Pennzoil claims credit for the first operations) and the market matured quickly. Interestingly enough, the retail oil suppliers were quick to jump on the quick lube bandwagon. Currently, Pennzoil (about 1,100 Jiffy Lubes), Quaker State (about 450 Minit Lubes) and Valvoline Instant Oil Change (more than 300) own the three largest quick lube operations.

The growth of quick lubes and the continued decline of full service stations left the integrated oil companies in the position of being all dressed up to dance in the desert. "So, a few years ago we put our briefcases and a pile of order blanks in the car and went out to sell the retail oil market," the national accounts manager for one of the integrated companies told us. "We presented retailers with the same kind of deal we gave our service station dealers. The retailers said no way. So we put our briefcases back in the car, packed up the order blanks, came back to the office and looked at the numbers again."

The integrated companies returned with lots of deals. Thus a highly competitive market to begin with became an even more competitive market when fueled by the deep pockets of big oil companies. While the companies will quickly concede that they haven't been wildly successful in selling the retail markets, a few have made some solid inroads. Right now Exxon Co., Houston; Mobil Oil, Fairfax, VA; Amoco Oil Co., Chicago; Citgo Petroleum, Tulsa, OK, Sun Refining and Marketing, Philadelphia; Phillips 66 Co., Bartlesville, OK; and Shell Oil Co., Houston, are all common sights on retail shelves.

WHAT'S IN A BARREL OF OIL?

An average 42-gallon barrel of crude oil yelids only 2.5 quarts of lube oil when it's refined. So, it takes two barrels of crude oil to refine enough motor oil for the average DIYer to change his oil. You might pass that figure on to the next DIYer who complains about paying .99-cents for a quart of oil. Here's how the rest of the barrel breaks down:

Almost 20 gallons of gasoline

12 gallons of heating oil

Almost four gallons of jet fuel

Almost four gallons of other petroleum products (road asphalt, coke, kerosene, etc.)

2.5 quarts of lube oil

Two gallons are lost in processing

Source: American Petroleum Institute, Washington, DC

The business manager of one integrated company conceded that his company had only a small share but said, "We have a marketing plan in place and we've held to it. We're happy with our adherence to it." The road to higher sales takes patience and consistency.

Because of the intense competition and because retailers see oil as a loss leader, about the only people who profit from retail oil sales are the consumers. "In 1980, the hot sale on oil was 99 cents," LaFave said. "Ten years later, it's still 99 cents. It's not good for profitability and the industry suffered. There's some evidence that retailers are abandoning the idea that people won't pay over a dollar a quart. Now, we're seeing more $1.39 and $1.49 everyday prices and a lot of sales at $1.09 and $1.19."

Still, oil will go out in advertisements at less than a dollar thanks to the rebates that continue. "Everyone is looking for a golden ring that works," John Freeny, vice president of sales at Kendall said. "We've tried a lot of things but we find rebates work. The retailer can advertise a price on sale of $1.09 less a rebate of 25 cents. Or, 84 cents a quart. Now you have an attractive price point."

Still, as Horsfall noted, "We're trying to put profitability back in the market. For so many years oil has been used as a loss leader; now we're hearing more and more about profits from oil."

Oil retailers and suppliers alike dodged a bullet this year when the Environmental Protection Agency (EPA) finally ruled that used oil destined for recycling is not a hazardous waste. Although the ruling displeased environmental groups, it's now in place.

"Used oil is a major problem," Horsfall said. "We're doing something about waste oil. Valvoline owns First Recovery, a company that picks up used oil at retail and installer locations. Right now, we have over 2,000 locations. I'm amazed at its impact on brand sales. We're wearing a white hat."

Virtually all the oil suppliers are backing and supporting programs to help their retailers and installers recycle waste oil; and most are using at least partially recycled plastic cans. In fact, Quaker State changed from a white to a green can in order to use more recycled plastic. "It also gives us good visual presence," LaFave said. "Our market research showed that it stands out on the shelf."

With all the recycling of used oil, it's natural that sales of re-refined used oil will follow. A *barrel* of crude oil yields 2.5 quarts of motor oil; on the other hand, one *gallon* of used oil yields 2.5 quarts of re-refined oil. Today, there are re-refined oils sold by Wal-Mart (a private label), Evergreen, Newark, CA, and Lyondell Lubricants, Houston (a subsidiary of Arco). While they are too new to the market and have little impact today, supporters expect to have high visibility and as much as 10-20% of the market in the later 1990s.

New in the market this year was a sudden spurt of synthetic oils. Almost every major supplier suddenly offered its customers a synthetic. "There has been more activity over the past two years. Synthetics are only about one percent of the market; nobody is setting the world on fire with them. But the opportunity is there for a profit. The margins are not beaten down. They're aimed at upscale buyers. Synthetics are technically charismatic."

Technically charismatic is an excellent description. Synthetics work well in small bore, high rpm engines. The product is aimed at a small niche of consumers who really want to take care of their cars. Horsfall said, "We see the industry positioning itself for synthetics. There's a push for the category. We're reminding our customers that although the U.S. market is 99% conventional mineral oil, in Europe the market is 15% synthetics."

In addition, there is a feeling that synthetics will be needed further down the road to meet American Petroleum Institute (API) specifications. The specifications are set by API and the Motor Vehicle Manufacturers Association to meet standards for new engines. By the end of 1993, API SH will replace SG as the specification for motor oil. Suppliers believe that mineral oil will meet SH requirements, but perhaps an oil at least partially synthetic will be needed to meet SI when it arrives.

Brake And Transmission Fluids

The market for brake fluids is often overlooked. And several of the half dozen suppliers we spoke with suggested why. "It's a terrible market. You just have to have brake fluid to serve the customer. So many people deal in brake fluid just to get the other chemical business. Between the bottle, fluid and package, the costs are above the selling price. We're giving away labor, freight, handling and marketing costs."

This was the crux of the matter, according to many chemical companies: too many companies, a "pennies" type of market, and too many competitors.

John Westley, marketing manager at IG-LO/Pyroil, Lexington, KY (a division of Valvoline), put the market at roughly 17 million gallons. "Of that, maybe 20-25% is exported, two million goes to the OEs, which means the market's about 10-12 million gallons." Westley said it was a very good market.

First Brands' Haglund said, "It's the same business year after year: low interest but a nice volume."

About the only real change is the switch to smaller two-three ounce (enough for a topping off) bottles for DIY and quick lube sales. Since brake fluid sucks up water, a pint bottle stored in the shed for a year could easily be useless.

About 99% of brake fluid sales are DOT-3 although several OEs now call for DOT-4 in new cars. If there's any growth it will be in DOT-4. DOT-5 fluid (silicon) is basically dead in the water. "It was going to be a big deal when the OEs started to switch to disc brakes," said Gerry Smith, director of marketing at Gold Eagle, Chicago. "But when they found vented rotors, it wasn't needed."

However, Rick Kroeger, product manager for Wagner Brakes, Chesterfield, MO, said, "The next thing may be a DOT-5.1. An glycol-based DOT-5 with the same high boiling points. They use some in Europe now."

About 85% of new cars come with automatic transmissions so you might expect the market for automatic transmission fluid (ATF) to be fairly large. It is: According to the National Petroleum Refiners Association, 51.9 million gallons were sold at retail in 1990 (1991 statistics are not yet available). However, the gallonage has been steadily declining. OE strategies call for 100,000 mile drain intervals and the quality of transmissions has improved.

As Gold Eagle's Smith pointed out, "Not many DIYers tackle transmissions. So we aim at the topping off segment. Pint bottles with taper funnels. The dipstick is usually graduated in pint marks. It's basically a commodity. At $1.79 or so who can spend the money to differentiate their product? You can't justify the money."

Dexron (GM cars and trucks), Mercon (Ford cars and trucks) and type F (older Fords) ATFs make up more than 80% of sales. However, this year, GM is moving to a Dexron 2E after January 1, and Chrysler specs call for Mopar ATF-Plus, which no one sells on the aftermarket at this time. ■

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Charging System Parts

Every year for the past several years we have produced our annual Consumer Automotive Repair Study (CARS for short), we have much more information generated than we can actually publish. This year, to get more of it into the hands of those who can benefit from it, we're adding product categories we studied in different issues throughout the year.

This issue stresses automotive mechanical component categories, ones which are more apt to be installed by a dedicated DIYer.

As before, the basic study was done of everyone who said, over the phone, that they were responsible for maintaining a vehicle in their household—in all, some 1,179 individuals. We asked questions about their buying and installation habits with different vehicle products, questions that usually required a "top-of-mind" answer.

Among the questions asked is how much of a DIYer the respondent considered themselves. We classified them as "non-DIYers," who did nothing to a vehicle, "light DIYers" who wax or washed their cars or added fluids, "medium DIYers" who did simple electrical or mechanical jobs or changed their oil, or "dedicated" DIYers who did jobs like installing mufflers or shocks.

We defined starting and charging system parts as parts such as alternators or starting motors when we asked vehicle maintainers if they'd bought such parts during the past year. These are not parts replaced on a whim; they're not "high performance" parts, nor do they change the appearance of a vehicle. They're replaced only when needed, and as such one might expect to see them not replaced at nearly the rate of product categories such as chemicals or even windshield wipers.

However, in all, 17% of all vehicle maintainers said they'd replaced some starting and charging system part during the previous year.

The more dedicated a DIYer the vehicle maintainer is definitely affects how apt he or she is to replace a part in this system—even if the DIYer doesn't replace it himself. In all, only 9% of non-DIYers replaced starting and charging system parts. This number grows to 14% among light DIYers, to 23% among medium DIYers, and reaches 27% among dedicated DIYers. ■

WHERE MAINTAINERS BOUGHT STARTING AND CHARGING SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their starting and charging systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for starting and charging system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	8%	27%	51%	74%
Car Dealership	31	16	9	4
Independent Garage	20	19	12	7
Service Station	17	8	8	2
Specialty Installer	0	16	6	9

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS STARTING AND CHARGING SYSTEM PARTS

We asked vehicle maintainers who installed the starting and charging system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	10%	36%	54%	86%
Car Dealership	31	14	8	0
Independent Garage	24	19	18	3
Service Station	22	6	7	2
Specialty Installer	0	8	5	4
Auto Store With Service	4	12	10	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY STARTING PARTS BY BRAND

We asked vehicle maintainers if they asked for a specific brand for starting and charging system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	9%	13%	15%	32%
Didn't Specify A Brand	91	87	85	68

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY A STARTING AND CHARGING PART BRAND

We asked vehicle maintainers who didn't specify a starting and charging system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	24%	36%	23%	0%
Don't Know Brands	49	29	31	8
No Difference In Brands	5	9	12	27
Don't Know Why	0	3	0	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT STARTING, CHARGING PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought starting and charging system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	86%	79%	61%	65%
Light Duty Truck	0	11	22	17
Van	5	6	8	5
Utility Vehicle	5	1	6	2

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN STARTING AND CHARGING SYSTEM PARTS

We asked those vehicle maintainers who installed their own starting and charging system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	42%	49%	50%
Can Do It Myself	0	24	31	29
See It's Done Right	0	0	4	20
Easy To Do	0	34	39	18
Needed It Done	0	17	14	17

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN STARTING, CHARGING PARTS

We asked vehicle maintainers who didn't install their own starting and charging system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	75%	73%	51%	22%
To Busy To Do	12	21	18	24
Don't Have Proper Tools	17	7	16	22
Don't Like Doing It	9	4	4	0
Elderly/Disabled	5	2	9	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

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Exhaust System Parts

When we asked vehicle maintainers if they'd replaced exhaust system parts, we defined these parts as, for example, mufflers, catalytic converters, or pipes. In all, 23% said they'd replaced such parts during the previous year.

Although non-DIYers were considerably less apt to replace such parts than DIYers, there was not a lot of a difference between DIYers according to abilities as to how many bought such parts. In all, 22% of light DIYers, 29% of medium DIYers and 28% of dedicated DIYers said they'd bought exhaust system parts.

There is a considerable difference, however, when it comes to where they buy these parts. Over half of the maintainers who were medium DIYers or less went to specialty installers—folks like Midas Mufflers, whom "nobody beats." Indeed, almost half of dedicated DIYers bought their parts at the same place. And, indeed, these outlets have a giant share of the installation business, as well. However, almost a third non-DIYers went back to their new car dealer for exhaust system parts, while relatively few DIYers used this source.

These specialty installers, who are relatively new to the field, apparently have taken the exhaust system parts and installation sales from gas stations more than any other outlet. Where thirty years ago they may have had the bulk of this business, now less than 10% of any type of vehicle maintainer goes back to a service station to get exhaust system parts. Independent garages don't have that much better market share.

Since so many maintainers went to specialty installers, it's not surprising that relatively few asked for a specific brand name. When one goes to a specialty installer or a car dealer, one takes the house brand. The percentage of non-DIYers who asked for a specific brand was almost the same as the percentage of dedicated DIYers who, presumably, pay more attention to aftermarket brands than non-DIYers.

When we asked those who had installed their own exhaust system parts why they'd done the job, most had two answers, "Oh, I can do that, and it's cheaper to do it myself."

Over half of those DIYers who didn't replace their own exhaust system parts said they didn't have the right tools for the job. Otherwise, around the same percentage of medium and dedicated DIYers were too busy or didn't like replacing these parts. ■

WHERE MAINTAINERS BOUGHT EXHAUST SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their exhaust systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for exhaust system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	0%	6%	12%	18%
Car Dealership	30	11	8	16
Independent Garage	6	13	21	0
Service Station	0	5	6	4
Specialty Installer	51	61	51	48

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS EXHAUST SYSTEM PARTS

We asked vehicle maintainers who installed the exhaust system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	0%	10%	15%	39%
Car Dealership	30	9	6	10
Independent Garage	12	12	23	7
Service Station	0	5	7	4
Specialty Installer	45	57	42	44
Auto Store With Service	6	4	9	4

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY EXHAUST PARTS BY BRAND NAME

We asked vehicle maintainers if they asked for a specific brand for exhaust system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	13%	14%	9%	16%
Didn't Specify A Brand	87	86	91	84

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY AN EXHAUST PART BRAND

We asked vehicle maintainers who didn't specify an exhaust system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	44%	29%	38%	25%
Don't Know Brands	42	29	26	16
No Difference In Brands	13	11	9	9
Don't Know Why	0	3	4	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT EXHAUST SYSTEM PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought exhaust system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	100%	88%	73%	75%
Light Duty Truck	0	8	14	16
Van	0	0	8	9
Utility Vehicle	0	2	2	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN EXHAUST SYSTEM PARTS

We asked those vehicle maintainers who installed their own exhaust system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	100%	53%	55%
Can Do It Myself	0	100	53	11
See It's Done Right	0	0	0	23
Easy To Do	0	0	0	11
Needed It Done	0	0	47	21

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN EXHAUST SYSTEM PARTS

We asked vehicle maintainers who didn't install their own exhaust system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	86%	62%	29%	0%
To Busy To Do	0	6	21	20
Don't Have Proper Tools	13	22	50	51
Don't Like Doing It	19	9	13	14
Car Being Serviced	0	4	0	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

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Engine System Parts

Engine system parts come in several varieties, as well as products. They can be those things that are vital just to keep a vehicle on the road. Or they can be things like performance cams or special pistons that turn an ordinary vehicle into a street rod or racer. As such, one might expect that a higher percentage of vehicle maintainers buys engine parts than other basic categories, and that is the case. In all, a quarter of all vehicle maintainers we questioned said they'd bought some engine system part over the previous year. Of those, two thirds were male.

Of these, again as may be expected, dedicated DIYers tended to buy engine system parts at higher rates than other types of DIYers. In all, 39%—well over a third—of dedicated DIYers bought engine system parts. Then 30% of medium DIYers, 22% of light DIYers, and 14% of non-DIYers bought engine system parts.

The more vehicles a maintainer has, the more apt he or she is to buy engine system parts, too. In all, 41% of maintainers with three or more vehicle bought these parts. Only 29% of those with two vehicles and 17% of those with one vehicle bought such parts.

Not only do those dedicated DIYers buy engine system parts more often than other types of DIYers, they're more apt to buy them at auto parts stores and install them themselves than other DIYers. And, the dedicated DIYers who buy engine system parts are considerably more brand conscious in their selection than other DIYers are. They are a prime buying group for aftermarket retailers.

On the other hand, the jobber who doesn't sell retail at all, will sell engine system parts to independent garages, service stations, specialty installers, and even car dealers who do the bulk of the sales of engine system parts sales to non-DIYers. All told, this group of aftermarket outlets sold engine system parts to 87% of all non-DIYers who bought engine system parts. And, for the most part, this group of outlets also installed the parts for these non-DIYers.

Auto stores which have service bays also have a small but real share of the engine parts installation market, too, to all levels of DIYers. The interesting thing is that exactly the same percentage of non-DIYers and dedicated DIYers who had engine system parts professionally installed went to auto parts stores for the job. ■

WHERE MAINTAINERS BOUGHT ENGINE SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their engine systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for engine system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	5%	26%	40%	60%
Car Dealership	37	25	25	16
Independent Garage	30	26	17	9
Service Station	20	8	1	1
Specialty Installer	6	13	10	6

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS ENGINE SYSTEM PARTS

We asked vehicle maintainers who installed the engine system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	2%	15%	25%	64%
Car Dealership	37	25	22	19
Independent Garage	31	31	28	13
Service Station	13	10	3	5
Specialty Installer	10	11	10	2
Auto Store With Service	5	7	13	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY ENGINE PARTS BY BRAND NAME

We asked vehicle maintainers if they asked for a specific brand for engine system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	8%	17%	20%	39%
Didn't Specify A Brand	92	83	80	61

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY AN ENGINE PART BRAND

We asked vehicle maintainers who didn't specify an engine system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	40%	37%	53%	21%
Don't Know Brands	30	24	13	12
No Difference In Brands	3	4	7	7
Don't Know Why	4	3	1	2

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT ENGINE SYSTEM PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought engine system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	92%	79%	70%	65%
Light Duty Truck	6	10	18	18
Van	0	5	7	3
Utility Vehicle	0	3	2	3

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN ENGINE SYSTEM PARTS

We asked those vehicle maintainers who installed their own engine system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	55%	80%	57%
Can Do It Myself	0	23	31	40
See It's Done Right	0	0	14	23
Easy To Do	0	0	6	2
To Save Time	0	23	0	4

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN ENGINE SYSTEM PARTS

We asked vehicle maintainers who didn't install their own engine system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	69%	73%	61%	29%
To Busy To Do	28	15	26	28
Don't Have Proper Tools	3	7	21	40
Don't Like Doing It	8	6	3	6
Elderly/Disabled	6	2	1	6

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*